The Incorporated Accountants' Journal

The Official Organ of
The Society of Incorporated Accountants and Auditors

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Professional Notes.

THERE are published in this issue the results of the examinations of the Society of Incorporated Accountants and Auditors held in November last at centres in Great Britain and Ireland. In the Final examination 281 candidates presented themselves, of whom 48 per cent. passed and 52 per cent. failed. The First Certificate of Merit and First Prize are awarded to Mr. Reginald Percival Howard, Watford, the Second Certificate of Merit to Mr. John Ewart, Cardiff, and the Third Certificate of Merit to Mr. Edgar Francis Clayton, Ipswich. The Fourth, Fifth, and Sixth Certificates of Merit respectively are awarded to Mr. Henry Hayhow (Newcastle-on-Tyne), Mr. Frank Sewell Bray (London), and Mr. Gabriel Marshall Dowrick (Colchester).

At the Intermediate examination 384 candidates presented themselves, of whom 47 per cent. passed and 53 per cent. failed. There were five candidates placed in Honours. The First Place Certificate and First Prize are awarded to Mr. George Lambert, Middlesbrough, the Second Place Certificate to Mr. H. P. Dalal, Bombay, the Third Place Certificate to Mr. B. R. Leaver, Ashton-under-Lyne, the Fourth Place Certificate to Mr. F. R. Hews, Brighton, and the Fifth Place Certificate to Mr. Geoffrey Morgan, Bradford.

In the Preliminary examination the First Place Certificate and First Prize are awarded to Mr. L. F. Stoddard, of Manchester. The number of candidates who presented themselves was 145, of whom 50 per cent. passed and 50 per cent. failed.

Following on the speech he delivered at Hull upon the subject of Secret or Hidden Reserves in Company Accounts, which was reported in the December issue of the *Incorporated Accountants' Journal*, Mr. Henry Morgan has since addressed the Incorporated Accountants' District Society of Yorkshire at their Annual Dinner on the subject of the Profit and Loss Account. This speech, like the former, has attracted wide attention, and we publish a full report in this issue. As intimated by us last month, a Special Committee has been appointed by the Council of the Society of Incorporated Accountants and Auditors to report to the Council whether in the opinion of the Committee any amendment of the Companies Act is deemed necessary and what, if any, alteration of a voluntary character may be considered desirable in the compilation of company accounts or their certification by professional auditors.

Arising out of the case in connection with the Royal Mail Steam Packet Company, the Council of the Institute of Chartered Accountants have made a communication to the members of the

Institute and have forwarded to them a copy of the Opinion given by Mr. Wilfrid Greene, K.C., and Mr. Cecil W. Turner, whom they have consulted. This Opinion can also be studied through our columns. We have fully considered what, under all the circumstances, is the duty of the *Incorporated Accountants' Journal* as the official organ of the Society, and have decided that in the interests of the members it is not advisable that we should comment on any of the matters referred to until the Special Committee of the Council of the Society have reported in discharge of the terms of their reference.

At the 39th Annual Meeting of the Incorporated Accountants' Benevolent Fund the President, Sir James Martin, who was in the chair, expressed his cordial thanks to the donors and subscribers for responding to his appeal to increase the accumulated surplus of the Fund to over £10,000 before the close of the financial year. After pointing out the benefits conferred through the grants made from the Fund, he urged those Incorporated Accountants who were not on the list of subscribers to spare to their own Benevolent Fund the small annual subscription asked for from each, and mentioned that the Trustees were empowered to make grants to an amount equal to the total of annual subscriptions and dividends received in the preceding year. The particulars of the thirty-four cases assisted during the year ended September 30th, 1931, forcibly illustrates the necessity for the Fund and the worthiness of its support.

The retirement of Sir William Hansell, K.C., as one of the Official Referees of the High Court, to which position he was appointed in 1927, recalls to mind the fact that he was at one time the Board of Trade Counsel in Bankruptcy, and in that capacity was well known to practising members of the accountancy profession in London. In the year 1924 he was Chairman of the Departmental Committee appointed by the President of the Board of Trade to consider and report on desirable amendments of the Bankruptcy Act in regard to the discovery and punishment of offences. The Report of the Committee was adopted by the Board of Trade and gave rise to the Bankruptcy (Amendment) Act, 1926. Sir William Hansell is also a lawyer of great repute in ecclesiastical matters, and it is safe to say that in his retirement he will still find opportunities for valuable public work.

The reservations of the Inland Revenue in relation to allowances for obsolescence have been a serious complaint for some time past and strong representations have been made by the Chambers of Commerce. These representations have now had some definite result, as Mr. Grigg, the Chairman of the Board of Inland Revenue, has made a statement on the subject to the special committee of the Associated Chambers, a full report of which will be found in another column. "What the Board had in mind," said Mr. Grigg, "in the concessions which are now to be made, was that where in the course of carrying on a trade, the trader, with a view to greater efficiency, discarded the plant in use and installed new plant, a claim for the obsolescence allowance should not be opposed by reason of differences in the character and functions of the new plant, so long as the facts of the case did not lead to the conclusion that the changes really amounted to the discontinuance of one trade and the setting up of another trade."

The idea apparently is that where one class of assets is scrapped and another of a different kind substituted for carrying out the same services the allowance shall be made, but where a concern has simply discontinued a complete department of its business and sold the machinery without installing any new machinery, no claim will be admissible.

A decision of some importance was given recently by the House of Lords in the case of *Adamson* v. *Union Cold Storage Company, Limited*. The company under the terms of a lease was liable to pay a very large sum as rent for a number of properties in different parts of the world, but there was a provision in the lease for the reduction of the rent in the event of the company's profits after payment of such rent being insufficient to enable it to pay, in addition to mortgage interest and preference dividends, a dividend of 10 per cent. on its ordinary shares. For income tax purposes the Inland Revenue authorities sought to disallow the charge for rent on the ground that it was contingent upon and payable out of the profits, and their contention was upheld by the Commissioners. When the matter came before Mr. Justice Rowlatt he reversed this decision as he was of opinion that the rent was, in fact, payable but subject to a rebate in certain circumstances, and the balance was a proper charge in the company's accounts for taxation purposes. This view was subsequently approved by the Court of Appeal and has now been affirmed by the House of Lords.

At the hearing of the trial known as the *Batley Bank* case, the two accountants, Mr. Joseph Wellcoat MacKinnon, of Glasgow, and Mr. John Cole-Hamilton, of Kilwinning, Ayrshire, were discharged from the proceedings on the 16th ult., both the Jury and the Judge taking the view that these defendants did not know of any falsity in the figures. Mr. Norman Birkett (Counsel for Mr. Cole-Hamilton) said the matter was getting absolutely tragic for his client. The evidence had exonerated him, but he still waited and waited. The Judge thereupon asked the Jury whether they took that view, and upon their indicating that they did, his Lordship said he concurred with them. A similar application was made on behalf of Mr. MacKinnon with the same result, and both were found not guilty on all counts and were discharged.

On the following day the two remaining defendants, Mr. Henry Cecil Turner, of Batley, and Mr. Alexander Young, of Worthington, were also found not guilty and discharged. In the case of these defendants the Jury handed a written statement to the Judge, which said: "We are unanimously agreed that owing to the complexity of the figures, and on the evidence produced, the prosecution have failed to prove their case." Upon this the Jury asked for directions and were instructed by the Judge to embody their views in their verdict. They accordingly returned a verdict of not guilty on all counts. His Lordship said he fully agreed with the finding of the Jury, but that it must not be thought that because the Jury had returned a verdict of acquittal it in any way implied the approval by them of the conduct of these two men.

A somewhat novel point arose before Mr. Justice Eve in the Chancery Division last month in the case of *The City of London Insurance Company, Limited*, where the question was raised by the Liquidator of the company as to whether calls made upon "B" contributories, in so far as not required to pay the creditors for which those contributories were liable, should go into the general assets of the company or be refunded to those who had paid the money. The calls were made upon an estimate of what was required, and the Liquidator claimed to retain as part of the assets available for the general body of creditors the full proceeds of those calls notwithstanding that they were in excess of the amount for which the "B" contributories were liable to contribute. His Lordship held that, subject to deduction of any costs properly chargeable to the "B" contributories, their liability was restricted to "so much of the amount left unpaid on their shares by their associated 'A' contributories as did not exceed the balance of the debts and liabilities of the company contracted before they respectively ceased to be members, which remained unpaid after the assets of the company and the contributions of the 'A' contributories had been applied *pari passu* towards the payment of all the debts of the company whenever contracted."

Some important points in relation to cheques were decided last month on an appeal from the decision of Mr. Justice Wright in the case of *Slingsby and Others* v. *District Bank Limited*. The first point was as to the proper endorsement of a cheque drawn in the form "Pay A per B or order," and the second was as to the liability of the drawer of a cheque who leaves a space between the name of the payee and the words "or order," whereby it is possible fraudulently to insert additional words altering the payee. In the case in question, what happened was that the cheque was first drawn "Pay John Prust & Co.," with a blank left after the name of the payee. There was afterwards fraudulently inserted in the blank space the addition "per Cumberbirch and Potts," apparently in the same handwriting. The cheque was then endorsed "Cumberbirch and Potts," no reference being made to John Prust & Co. The cheque was paid into the bank to the credit of the current account of an industrial financial company and duly cleared.

Banking witnesses gave evidence to the effect that the endorsement "Cumberbirch & Potts" was sufficient, but this was countered by an opinion published in the *Journal of the Institute of Bankers* and also by the view expressed by Sir James Paget in "Paget on Banking," that the proper form of endorsement of such a cheque should be "A per pro B," meaning that B signed A's name by his procuration or authority. The Court accepted the view of Sir James Paget and held that the cheque was wrongly endorsed, and also that it was invalidated under the provisions of sect. 34 of the Bills of Exchange Act by the fraudulent addition of the words "per Cumberbirch & Potts."

Another point that arose was whether there was negligence on the part of the drawers of the cheque in leaving a blank after the name of the payee. As to this Lord Justice Scrutton in the course of his judgment said he was satisfied that it was not at present a "usual precaution" to draw lines before or after the name of the payee.

If that sort of case became frequent it might become a "usual precaution," but no banking witness had ever heard of a similar case before.

The latest figures relating to the trade of the United States of America show that the exports in the first eleven months of this year amounted to $2,240,509,000, as compared with $3,568,324,000 in the corresponding period of 1930—a drop of 37 per cent.; and that the balance of exports over imports for the same eleven months of 1931 was $302,228,000, which compares with a favourable balance at the end of the same period in 1930 of $716,052,000. It thus appears that the possession by America of one half of the world's supplies of gold does not necessarily mean commercial prosperity.

Figures showing the Budgetary position are no more comforting. President Hoover, in his recent message to Congress, stated that, in addition to the deficit of $902,716,845 for the fiscal year 1931, there was on the present basis of taxation a prospective deficit for 1932 of $2,122,683,685, and for the year to June 30th, 1933, a deficit of $1,416,949,448. He accordingly recommended an increase of taxation in various directions for a definite limited period.

There is evidence, too, that there is need in America for economy in Municipal as well as in National affairs. For instance, the city of Philadelphia has recently found itself in the position of not being able to discharge the wages of its employees numbering some 25,000, and it is stated that the finances of some other important municipalities are in a position far from satisfactory.

Lecturing at the Manchester University on the present position of Monetary Science, Sir Josiah Stamp said it was no exaggeration to say that the banking world had a much greater grip upon the implications of the quantity theory in relation to currency, strictly so called, than in relation to total purchasing power, including bank deposits. To the banker as a rule the *rate* was the engine of control for the international equilibrium of the flow of funds, while economists, on the other hand, were concerned to define and measure the larger aggregates and to relate them by their changes and their velocities to aggregate production in working out the truth concerning the price level. The immediate task, he said, was the closer approximation of these points of view.

There existed, said Sir Josiah, a notion that sterling would adjust itself to a certain equivalent in gold, that metal having the quality of fixity. It might well be, however, that the much-sought level or parity with gold was continually fluctuating, or eluded us because gold itself was altering in purchasing power. The mere re-assuming of the gold standard by countries would increase the demand for gold and alter its value in commodities.

It is becoming increasingly evident that gold in relation to the value of commodities has attained an abnormal value by reason of the fact that nearly three-quarters of the total supply is concentrated in two countries, namely, America and France, the consequence being that the remaining proportion of the metal is quite insufficient to form a fair standard of value. So long as the control of gold was in the hands of this country it was kept in circulation by various means, including the regulating of the bank rate, but now that it has become largely "frozen" and thereby withdrawn from circulation, it has ceased to operate as a proper standard of value. This is evidenced by the fact that week after week we find other countries than our own ceasing to adhere to the gold standard.

In our November issue we referred to the case of *W. T. Lamb & Sons* v. *Goring Brick Company, Limited*, where a decision was given as to the meaning to be attached to a contract whereby the firm was appointed sole selling agents of the company's bricks. Mr. Justice Wright held that the contract in question prevented the manufacturers from proceeding to sell their output themselves without the intervention of an agent and thus avoiding the terms of the contract. This decision has now been affirmed by the Court of Appeal. Lord Justice Scrutton, in giving judgment, said it was clear that this was not the same sort of agreement as that under which an owner of property appointed an agent to sell the property. That class of case had been dealt with by Mr. Justice McCardie in *Bentall, Horsley & Baldry* v. *Vicary*, and he quoted with approval the judgment of Mr. Justice Mathew in the case of *Snelgrove* v. *Ellringham Colliery Company*, where, in circumstances of a similar character to those under review, judgment had been given in favour of the agents.

The report of the Inspector-General in Bankruptcy for the year 1930 shows that as compared with the preceding year there was a slight increase in the number of Receiving Orders in England and

Wales and in the amount of estimated liabilities, but a substantial decrease of assets as estimated by debtors. Under Deeds of Arrangement there was a small increase under all three heads, and taking Bankruptcies and Deeds of Arrangement together the comparative figures were :—

	Number of Cases.	Estimated Liabilities.	Estimated Assets.
1929 ..	5,900	£14,386,315	£5,182,146
1930 ..	6,287	15,093,583	4,368,014

In Scotland the number of Sequestrations was 209 as against 216 in 1929, the estimated liabilities £500,000 against £790,000, and the estimated assets £137,000 against £99,000. In Northern Ireland the insolvencies are divided into three classes, Bankruptcies, Deeds of Arrangement, and Arrangements under the Control of the Court. Taking the figures of the three classes in total the number of cases shows an increase from 135 to 146, whilst the estimated liabilities have decreased from £213,000 to £192,000 and the estimated assets have decreased from £79,000 to £50,000.

As usual, the facts reported against bankrupts by Official Receivers come mainly under three heads: (1) that the assets were not of a value equal to 10s. in the £ on the unsecured liabilities, (2) that the bankrupt had omitted to keep proper books of account, and (3) that the bankrupt had continued to trade after knowing himself to be insolvent. The statistics showing failures in particular trades, and occupations, exhibit a rather remarkable resemblance in each of the last three years, the six occupations which stand at the top in each of the periods as regards the amount of liabilities being (1) Directors and Promotors of public companies, (2) Farmers and Graziers, (3) Builders, (4) Drapers and Haberdashers, (5) Grocers, and (6) Garage Proprietors and Motor Car Engineers. In each of the three years the Directors and Promoters of public companies are easily first with liabilities of over a million pounds, and in 1930 over two millions.

INFANTS' TRADE DEBTS.

By sect. 1 of the Infants Relief Act, 1874, it is provided that all contracts, whether by specialty or by simple contract, entered into by infants for goods supplied or to be supplied—other than for necessaries—shall be absolutely void. Therefore, an infant cannot be held liable under such a contract for goods unless they are necessaries. "Necessaries" are defined by the Sale of Goods Act, 1893, sect. 2, as goods suitable to the condition in life of the infant, and to his actual requirements at the time of the sale or delivery. The necessaries for which an infant may contract liability are not confined to such articles as are necessary for the support of life, but extend to such articles as are reasonably fit to maintain the particular person in his state, station and degree and are suitable to his future and circumstances, and regard must be had to whether he was already sufficiently supplied with the kind of article in respect of which the liability was contracted.

But goods supplied to an infant in the way of his trade are generally, according to the authorities, not necessaries, and, in consequence, the infant accordingly cannot be held liable in respect of them. In an early case (1823) an infant was held not liable for groceries supplied to him to trade with, though he might be held liable for such part of the goods as were actually consumed as necessaries in the household.

In *Ex parte Jones* (1881) it was held that an infant could not be adjudicated a bankrupt on the petition of a person who had supplied him with goods on credit for trade purposes. In *Lovell & Christmas* v. *Beauchamp* (1894) it was held by the House of Lords in an action for goods supplied to a firm of which it appeared that one partner was an infant, that judgment could not be recovered against the firm simply, but might be recovered against the defendants other than the infant partner. If an act of bankruptcy is committed, a receiving order cannot be made against the firm simply, but may be made against the firm other than the infant partner, and if a receiving order has been made against the firm simply, the proceedings may be amended under the Bankruptcy Act, 1914, sect. 109. In that case Lord Herschell said that it was clear there is nothing to prevent an infant trading, or becoming partner with a trader, and that until his contract of partnership be disaffirmed he is a member of the trading firm. But it is equally clear that he cannot contract debts by such trading; although goods may be ordered for the firm he does not become a debtor in respect of them. The adult partner is, however, entitled to insist that the partnership assets shall be applied in payment of the liabilities of the partnership, and that until these are provided for, no part of them shall be received by the infant partner, and if the proper steps are taken this right of the adult partner can be made available for the benefit of the creditors.

The non-liability of an infant for debts, therefore, extends to a debt incurred by him in the course of trading, unless he obtains credit for it by a fraudulent misrepresentation as to

his age; but the fact of his trading is not in itself a representation that he is of full age. In the absence of such fraudulent misrepresentation, he cannot usually be made bankrupt in respect of trade debts. But he can enforce a trading contract made with him by an adult person. Where an infant enters into a contract for the sale of goods and is paid the price by the purchaser but subsequently fails to deliver the goods, the purchaser cannot recover the price in an action for money had and received, even though the contract was for the infant's benefit, unless it can be proved that in substance the cause of action arose *ex delicto* (*Cowern* v. *Nield* (1912)). In *Leslie* v. *Sheill* (1914) an infant, by fraudulently representing that he was of full age, induced the plaintiffs to lend him two sums of £200 each. To an action by the plaintiffs to recover the amount of the advances on the ground that they had been obtained by fraudulent misrepresentation, or, in the alternative, for money had and received by the defendant to the use of the plaintiffs, the defendant pleaded infancy. It was held that the cause of action was in substance *ex contractu*, that the plea of infancy was a good answer to the action, and that the defendant was under no equitable liability to the plaintiffs.

In *Stocks* v. *Wilson* (1913) an infant by fraudulently representing that he was of full age, induced the plaintiff to sell and deliver to him certain furniture and effects of which she was the owner. The goods, which were not necessaries, were assigned to the defendant by a bill of sale, which contained a promise by the defendant to pay the purchase money at a future date and a licence to the plaintiff to resume possession of the goods if the price was not then paid. After the purchase the defendant sold some of the goods for £30, and, with the knowledge and assent of the plaintiff or her agent, granted a bill of sale of the residue as security for an advance of £100. He failed to pay the purchase money on the day named for payment. After he came of age judgment for the amount was recovered against him, and a receiving order was made against him. On appeal, the receiving order was set aside without prejudice to any action the plaintiff might institute for the purpose of enforcing any liability to which the defendant was subject in equity, or for having obtained the goods by false pretences. In an action in which the plaintiff claimed by way of equitable relief that the defendant should be ordered to pay the reasonable value of the goods, it was held that the defendant was liable to account for the £30 and £100 which he had got by the sale and assignment respectively of the goods, and to pay the balance thereof over and above a certain sum which he was entitled to set off. It was held further that, notwithstanding the Infants Relief Act, 1874, the delivery of the goods to the defendant with intent to pass the property therein, operated to vest the property in him, and that he was not liable for conversion of the goods. A contract, being one entire contract, for the purchase of goods is not binding on an infant merely because the goods include certain articles which may be properly called necessaries, if they also include a substantial number of things that are not necessaries.

A view has been expressed that if it can be shown that a contract for the purchase of goods by an infant trader with a view to resale is a contract for the infant's benefit, such a contract must be held to be valid and enforceable. So that if an infant derives his livelihood from a business and the goods in question were purchased at a reasonable price, and were necessary to the infant's business, apparently the infant may be held to be liable. This view is probably supported by the common law under which there were two classes of contract which were absolutely binding on the infant, *i.e.*, contracts for necessaries and contracts for the infant's benefit. The Infants Relief Act, 1874, has not in any way modified the common law.

WHAT IS SPECIAL IN A "SPECIAL JURY"?

[CONTRIBUTED.]

WAR-TIME difficulties caused juries to be dispensed with, in large measure, in civil suits. With the Peace came a tendency to restore them. Whether this is an advantage or not has been much canvassed. The position of the Special Jury, in particular, has been much discussed.

The function of a jury is to arrive at a decision upon the facts—as tendered in evidence. It has sometimes been urged against the utility of the Special jury that its very composition may introduce two complications which tend to be absent in the case of the Common jury. In the first place, under our system a unanimous verdict is normally required of the jury. The object sought to be secured by a Special jury being impanelled is to render available more highly educated and expert opinion for the trial and assessing of the issues raised. But the function of the jury is to find the facts upon the evidence adduced in the suit before them, and not to bring external knowledge acquired from other sources to bear upon the particular and specific issues before them. Juries in the earliest centuries of their existence were called in to aid the administration of justice by bringing to the judicial tribunal

their local and expert knowledge. From this angle, therefore, juries of modern times are seen to be reverting to their original status, rather than to be following along the lines of development of the past few centuries. Juries which use their own knowledge, apart from or additional to the knowledge gained from hearkening to the evidence adduced according to legal rules of Court procedure, are to be found still in our coroners' courts, where the ordinary rules of evidence are not adhered to. The problem, then, is: Can a jury which does not adhere rigidly to the legal rules of evidence be of greater service in commercial suits than one which is so bound?

In the second place, a Special jury, drawn—in theory, at least—from the more cultivated sections of society may well tend to be individualistic in its views. Hence the difficulty of obtaining a collective opinion with speed and unanimity. A Special jury, able and ready to draw fine distinctions, presents, on the other hand, the advantage that it is less likely to be seduced by specious advocacy into attaching undue importance to non-essentials.

Order 36 of the Rules of the Supreme Court, which regulates trial by jury, expressly exempts from the scope of juries matters requiring prolonged examination of documents or of accounts, or those which involve local or scientific investigation. In other words, it has been thought expedient to dispense with juries in "solid, concrete" commercial suits, where the arts of advocacy are supererogatory and mass sentiment less desirable than cold analysis. In fact, these very categories of issues are those which, under the Arbitration Act, 1889, the law has provided for by the Court machinery of official and special referees.

Commercial life, however, is no more wholly compact of cold calculations than other phases of human activity. Commercial disputes frequently involve questions of honour as well as of profit. Where, for instance, allegations of fraud are in issue, or trade libel, or the like, it may well be that a Special jury is specially adapted to try the issues of fact.

Parties who elect, as they may by virtue of the Order mentioned, to have the assistance of a Special jury must be supposed to attach importance to the worldly knowledge which a Special jury may be supposed to have and a Common jury not. When, however, we look at the statutory qualifications required of Special jurors we observe that the limits demarking a Special from a Common juror are somewhat vague. The Juries Act, 1870, provides, by sect. 6, that Special jurors are to be drawn from the jurors' book from amongst the following categories:—

1. *Persons "legally entitled to be called esquire."*—Whatever may have been the case in the romantic days of the Knights of the Round Table, it is by no means certain nowadays who is entitled, legally, to be called esquire. Even Coke was uncertain—in the sixteenth century; already, in his day, there was no more precision of definition available than that "there is small difference between an esquire and a gentleman." In *Fairman* v. *Ives* (1819) and *Perrins* v. *The Marine and General Travellers' Insurance Society* (1859) it was gravely argued whether a retail trader could legitimately be termed an esquire or a gentleman. In the 1859 case it was contended that an insurance policy was invalid because the assured had stated in the proposal form, in answer to a question as to his occupation or profession, that he was an esquire; the insurance company had discovered his shameful secret that he was by trade an ironmonger. His description of himself as an esquire was regarded by Chief Justice Cockburn as a sufficient mis-statement by the plaintiff to invalidate his policy. He expressed himself, however, as happy in the knowledge that his learned brethren were not prepared to take this strict legal view—in the interests of justice.

2. *Persons of higher degree than esquire.*—The vagueness of the term esquire necessarily leaves this class description shrouded in higher mists of uncertainty.

3. *Banker or Merchant.*—The term "banker" is, perhaps, more restricted amongst us than it is amongst our Continental friends, where every petty money changer assumes the dignity. Still, even with us, it lacks the kind of precision usually associated with legal rules. "Merchant," too, is, obviously, vague and comprehensive. A shopkeeper is a merchant according to the decision in *Hamond* v. *Jetsro* (1611). In *Josselyn* v. *Parson* (1872) Baron Bramwell said that "a merchant of or in an article is one who buys and sells it, and not the manufacturer selling. A wine grower is not a merchant; even a wine importer is not called a wine merchant, but a wine importer." If strict precision is lacking in the first three categories, the same objection cannot be urged of the remaining three. They are, in fact, defined in meticulous detail as follows:—

4. *Occupier of a private dwelling-house* rated or assessed to the poor rate on a value of £100 or more in a town of at least twenty thousand inhabitants, or on a value of £50 elsewhere.

5. *Occupier of a farm* rated or assessed on a value of £300 or more.

6. *Occupier of other premises* rated or assessed on a value of £100 or more.

A long list of classes of persons exempted from jury service is set out in the Schedule to the Juries Act, 1870. It includes many classes, *e.g.*, doctors and magistrates, who might be specially useful on a Special jury designed to assemble specially trained minds to assist in the administration of justice.

Where a party requires a Special jury the Judge who grants his application is empowered to make an order for costs as he may think right in the circumstances. The Juries Act, 1825, provides that the costs occasioned by the Special jury are to be borne by the party who applied for it unless the Judge certifies that the case was one fit for a Special jury. This certificate of the Judge must be applied for—and granted—"immediately after the verdict," and these words are construed very strictly. Thus, in *Barker* v. *Lewis and Peat* (1913) the trial took place

on January 27th, 1913. It was not until April 24th, 1913, that Counsel for one of the parties applied to the trial Judge for his certificate. The Judge granted it. But the Court of Appeal held that he had no power to do so. Three months after the trial was not "immediately after the verdict." Indeed, Mr. Justice Gorell Barnes held, in *Griffiths* v. *Griffiths* (1898), that an application for a certificate made three days after the verdict was too late, and could not be granted.

INCORPORATED ACCOUNTANTS' YEAR BOOK.

The Incorporated Accountants' Year Book for 1932 will be published during the first week in January. It comprises 1,108 pages and contains the names of 1,448 Fellows and 4,213 Associates. There have been added to the book more extensive particulars of the Branches, District and Students' Societies of the Society of Incorporated Accountants and Auditors, and, in addition to the information concerning membership of the Society, particulars are given of the examinations, the publications of the Society, and the Incorporated Accountants' Benevolent Fund.

RECEIVER'S PERSONAL LIABILITY.

In the Court of Appeal last month the Master of the Rolls and Lords Justices Lawrence and Slesser heard an appeal by Mr. James Leonard Mudd, Incorporated Accountant, Norwich Union Chambers, Congreve Street, Birmingham, from the decision of Mr. Justice Charles in the King's Bench Division on June 25th last, who held that Mr. Mudd was personally liable for an overdraft of £2,818 9s. 4d. at the Bennetts Hill (Birmingham) branch of the National Provincial Bank Limited.

Mr. P. Kerr, who appeared for Mr. Mudd, stated that his client was appointed as receiver to the debenture holders of the Severn Side Brick Company (Gloucester), Limited, in April, 1926. He opened an account with the National Provincial Bank and endeavoured to salvage the business of the company. He became overdrawn at the bank, and headquarters in London became anxious about the amount of the overdraft. The local branch manager was communicated with and he interviewed Mr. Mudd, who subsequently wrote to the branch manager as follows:—"I beg to inform you that I accept full liability for the amount owing to the bank by me from time to time in respect of my account with you as receiver of the above company."

That was not, submitted Counsel, an admission of personal liability, but only liability as receiver.

Without calling upon Counsel for the bank the Court dismissed the appeal.

The Master of the Rolls, giving judgment, described it as a very plain case. Mr. Kerr had done his best on behalf of his client, but when one looked at the matter from all its aspects one came back to the terms of the letter written by Mr. Mudd to the bank, in which he said "I accept full liability for the amount owing to the bank by me," which meant, "I am personally liable to the bank for the amount owing by me."

"It seems to me," added the Master of the Rolls, "that the liability is accepted by Mr. Mudd in the plainest and simplest words. This appeal, therefore, must be dismissed with costs."

Lords Justices Lawrence and Slesser agreed.

THE ROYAL MAIL STEAM PACKET COMPANY CASE.

THE Council of the Institute of Chartered Accountants have had under their consideration the question of making a communication to the members of the Institute in connection with the Royal Mail Steam Packet Company and the summing-up of Mr. Justice Wright. Having consulted Mr. Wilfrid Greene, K.C., and Mr. Cecil W. Turner, they have issued to their members a copy of the Opinion given by Counsel, which is as follows:—

Opinion.

We have considered very carefully whether the Council of the Institute could properly and usefully issue any form of general pronouncement for the guidance of their members on the questions and matters discussed in the recent case arising out of the affairs of the Royal Mail Steam Packet Company.

It appears to us, for more reasons than one, that no such pronouncement is really feasible.

In the first place, the Council have very responsible functions of a judicial character to perform; and it is of the utmost importance that their hands should be in no way tied by their being committed to statements (which must of necessity be of a wide and general nature) on matters within the purview of their jurisdiction, which might be quoted before them as being applicable to circumstances to which they were not intended to relate.

Secondly, it is of the utmost importance that they should say nothing on questions admitting of diverse views that might hamper their members in any possible future proceedings. We can imagine cases arising in which a member resisting a claim might be embarrassed by having a pronouncement of his own Institute quoted against him, when without it a departure from the general principle laid down could more easily be justified in the special circumstances of his case.

The third, and perhaps the most formidable, difficulty arises from a consideration of the circumstances in which the propositions enunciated by the learned Judge in the case in question came to be propounded. The case in question was a criminal and not a civil case, it related to a chartered company and not to a limited company of the ordinary kind, and it rested upon a complicated set of facts and figures which were peculiar to the case, and which formed the foundation of the charge and the text of the summing up. It is a familiar rule of construction that a judgment should be construed with special reference to the facts of the case in which it is delivered, and that it may be dangerous to take general expressions out of their context and treat them as laying down principles applicable to all possible circumstances. More especially would it be dangerous to do this in the case of a summing up in a criminal case. The object which the Judge has in view in such a case is to furnish the jury with a legal foundation

for the particular set of facts on which they are called upon to exercise their judgment. He must always have primarily in mind the details of the particular case, and the fact that the jury are not legal experts.

It may well be, therefore, that the Judge in such a case would express himself in different language from that which he would use if he were delivering judgment in a civil action. He may lay down general propositions which are in no way misleading as applied to the facts before the jury, although they may be susceptible of qualification in various directions if sought to be applied to all cases.

For these reasons it seems to us that to put together selected extracts from the Judge's summing up in the case in question, isolated from their context and from the facts of the case, might result in attributing to the Judge an intention to lay down wider propositions of law than were necessary for his purpose or than he really had in mind. Extracts of this kind must necessarily form the foundation of any pronouncement by the Council, since it is the summing up in question which has, naturally enough, given rise to requests by members for guidance on the questions with which it dealt.

The difficulty then really lies in founding upon any such extracts as we have indicated any principles either of general or of particular application which would both afford a clear guide to a practitioner and be certainly consonant with the law and with the Judge's views. By way of illustration, we may perhaps refer shortly to the question of what are often termed "secret" or "undisclosed" or "inner" reserves. When these expressions are examined, it becomes apparent that they are not expressions which have a clear and well defined meaning, and that they, or one or more of them, may be applied to a number of different types of reserve. Probably even experienced accountants would not all agree as to their exact scope and meaning. It follows, therefore, that a general proposition which might be applicable to one type of "secret" reserve might not be equally applicable to another, or that a given proposition might be applicable to a flagrant or extreme case, though not to one where no "misleading" was involved.

We have been asked whether the duties and responsibilities of an auditor extend to the profit and loss account, though it is not specifically reported upon to the members of a company. In our Opinion, having regard to the fact that the balance sheet contains as one of its items the balance brought in from the profit and loss account, they cannot dissociate themselves from all responsibility for the correctness of that account, and there may be cases in which it would be incumbent upon them to draw the attention of the shareholders to any feature of that account which in their view involved anything of an improper or misleading character.

WILFRID GREENE.
CECIL W. TURNER.

Lincoln's Inn.
November 27th, 1931.

OBSOLESCENCE ALLOWANCE.

Trading Plant and Machinery.

(Statement made to the Committee of the Association of British Chambers of Commerce by Mr. P. J. Grigg, Chairman of the Board of Inland Revenue, at Somerset House, on December 9th, 1931.)

At the meeting which took place here on February 11th last, the question of the application of the Rule in the Income Tax Act relating to the Obsolescence Allowance (Rule 7 of Cases I and II of Schedule D) was very fully discussed by reference to a large number of illustrative cases brought forward by the Association.

As regards a considerable proportion of those cases, it was found that they were cases in which, under recent practice, a claim would be allowed. Examples of such cases were those involving the replacement of horse vehicles by motor vehicles. There were, on the other hand, a few cases which could not, under any reasonable interpretation of the law, be regarded as admissible. An example of this type of case was one in which a concern simply discontinued a complete department of its business and sold the machinery without installing any new machinery.

Between these two types of cases there was another type with regard to which further consideration was promised in order to see whether on a more liberal interpretation of the terms of the law an allowance could not in future be given. An example of this type of case is that of the electricity undertaking which gives up generating current and takes supplies in bulk from another undertaking for sale to its consumers. The existing generating plant is scrapped and is not replaced by new generating plant, but expenditure is incurred on such plant as transformers in order to carry on the business on the new lines. In such cases claims had hitherto been opposed on the ground that the character of the business had been changed, and there was no "*replacing* of plant or machinery which has become obsolete" within the meaning of the Rule in the Income Tax Act.

On further consideration we have reached the conclusion that in this type of case we should be justified in proceeding on the view that the word "replacing" does not necessarily imply only the replacing of existing plant or machinery by plant or machinery performing exactly the same functions. We are prepared to act on the view that the essential purpose of the business is the supply of electricity to consumers, that this has not changed, and that an allowance can *in future* be made within the limits of the Rule, by reference to the cost of the old generating plant discarded and that of the new transformers and other appliances installed. Similar considerations would apply in the case of the manufacturer who has hitherto had a generating plant for the purpose of supplying current to his factory, and who now decides to scrap his generating plant and to take his supply from one of the large electricity undertakings, installing such plant as transformers for the purpose.

These examples illustrate fairly clearly the results of the further consideration which we have given to the question. It is a little difficult to reduce the matter to a precise formula, but broadly what the Board have in mind is that where, in the course of carrying on a trade, the trader, with a view to greater efficiency, discards the plant in use and instals new plant, a claim for the obsolescence allowance shall not be opposed by reason of differences in the character and functions of the new plant, so long as the facts of the case do not lead to the conclusion that the changes which have taken place really amount to the discontinuance of one trade and the setting up of another trade.

I have mentioned certain cases connected with the supply of electricity as illustrating the effect of this more liberal construction of the law. Another example might be the case of a textile manufacturer who has hitherto produced a heavy class of clothing material. Fashion favours a much lighter material, and to meet the position he instals a lighter type of loom in place of his old heavy looms. In such a case a claim for obsolescence allowance would be regarded as admissible. This is rather a vague example, but it is difficult to get instances which are at once specific and applicable to the great staple industries. Examples on a smaller scale can more easily be given. A manufacturer whose trade is the production of various toilet preparations finds that the demand for shaving sticks is falling off and scraps plant used for their production and installs in its place plant for turning out shaving cream in tubes. Here also a claim for obsolescence allowance would be regarded as admissible. Or a coach builder who has hitherto constructed horse carriages decides that the time has come for him to scrap part of his existing plant and instal new plant for the purpose of making coach built bodies for motor cars. If he does this there would, *prima facie*, be grounds for a claim for an allowance under Rule 7.

I need not go on multiplying examples of cases which would be regarded as coming within the proposed interpretation of the law, but I should perhaps give one illustration of a case which would be regarded as falling outside it. Taking my last illustration, suppose that the coach builder decides to give up coach building and to embark on the manufacture of materials for builders. He discards his coach building plant and instals machinery for making door and window frames. Such a case could not be regarded as one falling within Rule 7.

A further word as to the administrative steps which we now propose to take following on our review of the position.

As I have already explained, we have reached the conclusion that we can adopt a more liberal interpretation of the Rule. We shall accordingly issue instructions to our officers with a view to ensuring, so far as possible, uniformity of practice, and a uniformity based on the wider interpretation of the statutory provisions which we have now adopted.

Obituary.

ROBERT HILDITCH.

We regret to record the death on November 26th of Mr. Robert Hilditch, F.S.A.A., of the firm of Messrs. Hilditch & Young, of Barclays Building, Old Hall Street, Liverpool. Mr. Hilditch commenced his career in the profession in London some 40 years ago. He afterwards went to Leeds where he was in practice for a time, and subsequently he entered into a long association with Messrs. Armitage & Norton as manager of their Leeds office. In the year 1918 he became a partner in the firm of Messrs. Hilditch & Co., of Liverpool, and for the past seven years he has practised in partnership with Mr. W. H. Young, F.C.A. Mr. Hilditch's membership of the Society extended over a period of 30 years.

ERNEST EDWARD HILL.

Mr. Ernest Edward Hill, F.S.A.A., died at his home in Cardiff on December 6th, at the age of 62. Mr. Hill was admitted an Associate of the Society in the year 1897, when he was a clerk to Messrs. Clarke & Dovey, of Cardiff, into which firm he was admitted a partner in the year 1909. From this partnership he subsequently retired, and since the year 1915 Mr. Hill practised independently under the name of Messrs. Ernest E. Hill & Co. Apart from his professional work Mr. Hill was well known in South Wales as a cricketer, and at one time played for the Glamorgan Club.

Society of Incorporated Accountants and Auditors.

MEMBERSHIP.

The following additions to, and promotion in, the Membership of the Society have been completed since our last issue :—

ASSOCIATE TO FELLOW.

JOHN, ALFRED STRADLING, Court Chambers, The Arcade, Pontypridd, Practising Accountant.

ASSOCIATES.

LANGMAID, ALAN GORDON RICHARD, Clerk to Alban & Lamb, Central Chambers, Newport, Mon.

MINSHALL, CLEMENT LEA, Clerk to Ward, Clarke & Co., 130, Lord Street, Southport.

RANDALL, NORMAN GURNEY, Clerk to Albert A. Henley & Co., Portland House, 73, Basinghall Street, London, E.C.2.

SATTERTHWAITE, ERIC, Clerk to John H. Hort, 202, Stanley Road, Bootle.

WRIGHT, ARTHUR LESLIE, Clerk to Edward Clough, Bank Chambers, North Parade, Bradford.

Misfeasance Summons against Directors and Auditor.

The judgment in the case of the *Westminster Road Construction and Engineering Company, Limited* (the evidence in which we reported in our last issue), has not yet been delivered, and we understand it will not be given for about another fortnight.

The Incorporated Accountants' Benevolent Fund.

THIRTY-NINTH ANNUAL MEETING.

The thirty-ninth annual meeting of the Incorporated Accountants' Benevolent Fund was held at Incorporated Accountants' Hall on December 9th, 1931. Sir James Martin, J.P., President of the Fund, was in the chair, and was supported by Mr. H. J. Burgess (Chairman of Trustees), Mr. A. E. Piggott (Trustee), Mr. Henry Morgan (President of the Society of Incorporated Accountants and Auditors), Mr. William Strachan, Mr. F. J. Harper, J.P., Mr. W. E. A. Norman, Mr. Reginald Davis, Mr. E. E. Edwards, Mr. J. C. Fay, Mr. W. J. Freeman, and Mr. A. A. Garrett (Hon. Secretary).

Apologies for non-attendance were received from Mr. G. Palmer, Mr. W. H. Payne, Mr. E. Whittaker, Mr. E. Cassleton Elliott, and Mr. E. L. Burton.

President's Address.

Sir James Martin, in moving the adoption of the thirty-ninth annual report of the Trustees and the accounts for the year ended September 30th, 1931, said that the total revenue for the year was £1,726 13s. 11d., an increase of £366 0s. 6d. over the previous year. Annual subscriptions produced £733 19s., as against £667 16s. for the comparative period in 1930; life subscriptions amounted to £168 as against £78 15s.; donations were £322 14s. 6d., as compared with £187 2s. 6d., and there was also a gift of a debenture for £50. Dividends and interest yielded £452 0s. 5d., as against £426 19s. 11d. On the other side of the account, there was a reduction in the cost of printing and postages of about £9, and the total of the grants to members, widows, and orphans and other dependants was £1,044 3s. 4d. The surplus on the year was £612 1s. 8d., which brought up the accumulated balance of the Fund to £10,215 4s. 1d. He now wished to take the opportunity of thanking all those who had responded to his appeal to increase the amount of the surplus to over £10,000 before the close of the financial year. There was one donor who had modestly contrived to keep his name out of the published list by presenting a debenture of £50 in lieu of cash, the face value of this gift being brought into the revenue account. He alluded to their friend Mr. A. A. Garrett, who, in addition to that act of generosity, devoted some portion of the time he could spare from his important duties as Secretary of the Society to the promotion of the interests of that Fund. To Mr. Garrett and to Mr. J. C. Fay, the chief clerk on the Society's staff, who, as they knew, took the Fund under his special care, he desired to give cordial thanks on behalf of all those interested in that most valuable adjunct to the work of the Society of Incorporated Accountants and Auditors.

It was true of every cause that it could not stand still. It must either progress or go back; and having now secured a modest amount of capital, he must make an appeal for a larger number of annual subscribers. The proportion of subscribers and donors to the total number of Incorporated Accountants on the roll left much to be desired, and he wished again to appeal to those who had not been on the list of subscribers to spare to their own Benevolent Fund the small annual subscription which was asked for, which worked out at something under 2½d. a week, without the unpleasant necessity of having to lick a stamp for the amount. By Rule 17 of the Fund, the Trustees could only expend in grants a sum equal to the income for the previous year derived from annual subscriptions and dividends, it being incumbent upon them to invest both the donations and the life subscriptions. The generous nature of the grants made must depend, therefore, to a considerable extent on the support accorded by annual subscribers. Assistance was granted in 34 cases during the year under review. It would be a satisfaction to the subscribers to know that grants made to widows for the education of their children had enabled two daughters of deceased members to secure good appointments upon leaving school. He hoped the subscribers and donors had read the particulars of how the income had been distributed, and if they had done so he was sure they must agree that the Trustees had discharged their duties with the utmost discrimination and to the satisfaction of all those who had helped in that valuable work.

Mr. H. J. Burgess, Chairman of the Trustees, seconded the resolution, which was carried unanimously.

Alteration of Rules.

Sir James Martin moved an alteration to Rule 2, to add the words "and dependents" after the words "and the widows and orphans"; so that the Rule should read: "The Fund shall be devoted solely to the relief of persons who are, or have been, Fellows or Associates of the Society of Incorporated Accountants and Auditors, and the widows and orphans and dependents of deceased Fellows or Associates."

The resolution was seconded by Mr. Henry J. Burgess, and carried.

Election of President.

Mr. F. J. Harper said that they were fortunate in having the continued services of Sir James Martin as President of the Fund. He therefore had pleasure in proposing his re-election. The motion was seconded by Mr. W. E. A. Norman, and carried unanimously.

Election of Trustees.

The resignation of Mr. George Palmer from his position as Trustee was accepted with regret. Mr. Palmer was accorded a vote of thanks for his services, which was proposed by Mr. A. E. Piggott, and seconded by Mr. W. Strachan.

On the motion of Mr. R. Davis, seconded by Mr. Henry Morgan, the meeting resolved that Mr. A. E. Piggott, Mr. E. W. C. Whittaker, J.P., Mr. H. J. Burgess, and Mr. W. H. Payne be re-elected Trustees.

Mr. W. Strachan proposed the election of Mr. R. T. Warwick as Trustee in the place of Mr. George Palmer. Mr. F. J. Harper seconded the motion, which was put to the meeting and carried unanimously.

ELECTION OF VICE-PRESIDENTS.

On the motion of Mr. W. Strachan, seconded by Mr. W. E. A. Norman, the following Vice-Presidents of the Fund were re-elected: Mr. Arthur Collins, Mr. A. R. King Farlow, Sir Harry Hands, Mr. Alexander Hannah, Mr. R. P. Phillips, Mr. G. S. Pitt, and Mr. W. McIntosh Whyte.

Sir James Martin then proposed the election as a Vice-President of Mr. E. L. Burton, who had been a liberal supporter of the Fund for many years. Mr. H. J. Burgess seconded the resolution, which was unanimously adopted.

ELECTION OF HONORARY AUDITOR.

Mr. J. Hulbert Grove moved the re-election of Mr. W. Southwood Smith as Hon. Auditor for the year 1931-32, with a vote of thanks for his services during the past year. Mr. R. Davis seconded, and Mr. W. Southwood Smith was unanimously re-elected.

The meeting concluded with a vote of thanks to the President, proposed by Mr. Henry Morgan and seconded by Mr. H. J. Burgess.

Report of the Trustees.

The Trustees have pleasure in presenting to the subscribers and donors their thirty-ninth annual report.

The revenue for the year has increased from £1,360 13s. 5d. to £1,726 13s. 11d. This increase, the result of a special appeal made by the President, has enabled the Trustees to augment the investments of the Fund, which at book value now stand at £10,037 0s. 1d.

Under the rules of the Fund, the Trustees, in making grants, must limit the amount disbursed in any one year to a sum not exceeding the income of the previous year derived from annual subscriptions and dividends on investments. It is hoped, therefore, that an increasing number of Incorporated Accountants will become annual subscribers, thus enabling the Trustees to deal sympathetically and efficiently with the cases brought before them.

The total grants made amounted to £1,044 3s. 4d., as follows:—

£40 10s. (in addition to £489 10s. previously granted to her and her late husband) to the widow of a former Fellow who is in reduced circumstances.

£37 10s. (in addition to £436 10s. previously granted) to an Associate of advanced age (since deceased), whose small means were inadequate for his support.

£40 (in addition to £220 previously granted) to the widow of a former Fellow.

£39 (in addition to £220 previously granted) to the wife of a Fellow who had to relinquish his practice owing to ill-health.

£30 (in addition to £200 previously granted) to the widow of a former Fellow who died after having been an invalid for many years.

£84 (in addition to £352 previously granted) to the widow of a Fellow towards the maintenance and education of her four young children.

£50 (in addition to £162 10s. previously granted) to a former Fellow over 80 years of age, who is blind.

£47 10s. (in addition to £162 10s. previously granted) to the mother of an Associate who was killed in action. The recipient is over 80 years of age.

£40 (in addition to £120 previously granted) to the widow of an Associate, who was left with slender means, towards the education of her son.

£26 (in addition to £96 18s. previously granted) to the widow of an Associate, who died at an early age and was unable to make adequate provision for his family.

£26 (in addition to £29 10s. previously granted) to the widow of an Associate, for expenses in connection with the education of her son.

£30 (in addition to £50 previously granted) to a Fellow in permanent retirement owing to ill-health.

£26 (in addition to £65 previously granted) to the widow of a Fellow, who died at an early age, for the education of her child.

£34 (in addition to £68 previously granted) to the widow of a Fellow for the education of one of her daughters.

£50 (in addition to £50 previously granted) to the widow of an Associate who was killed in an accident, leaving several young children.

£12 10s. (balance of grant of £50) to an Associate in ill-health and unable to follow his employment.

£35 (in addition to £37 10s. previously granted) to the widow of an Associate left in reduced circumstances.

£30 (balance of grant of £40) to the widow of a Fellow left in poor circumstances.

£40 (balance of grant of £50) to the widow of an Associate left without adequate means of support.

£30 (balance of grant of £40) to the mother of an Associate left with younger sons to support.

£60 (in addition to grant of £20) to the widow of an Associate left with two young children to educate and support.

£25 to an Associate suddenly afflicted with blindness.

£20 to an Associate convalescing after a long illness.

£37 10s. (part of a grant of £50) to a Fellow of advanced age who, owing to ill-health, was unable to continue practice.

£19 10s. (part of a grant of £26, in addition to £200 previously granted) to the dependent of a deceased Fellow.

£45 to the widow of a Fellow in reduced circumstances.

£26 13s. 4d. (part of a grant of £40) for the education of one of the children of a deceased Fellow.

£10 to the widow of an Associate in poor circumstances.

£10 to the sisters of a deceased Associate in straitened circumstances.

£10 to the daughters of a deceased Fellow.

£12 10s. (part of a grant of £25) to the widow of a Fellow.

£20 for temporary assistance to members in three cases.

The expenses of the Fund have been confined as usual to the necessary outlays for printing and postage.

The accounts for the year ended September 30th, 1931, duly audited, are annexed to this report, together with a full list of subscribers and donors.

Dated this 26th day of November, 1931.

JAMES MARTIN, *President.*

HENRY J. BURGESS,
ARTHUR E. PIGGOTT,
E. W. C. WHITTAKER,
GEORGE PALMER,
W. H. PAYNE, } *Trustees.*

ALEXANDER A. GARRETT, *Hon. Secretary.*

THE INCORPORATED ACCOUNTANTS' BENEVOLENT FUND.

REVENUE ACCOUNT, *for the Year ended September 30th, 1931.*

	£	s.	d.		£	s.	d.
To Printing, Postages, &c.	70	8	11	By Annual Subscriptions	733	19	0
„ Grants	1,044	3	4	„ Life Subscriptions	168	0	0
Balance	612	1	8	„ Donations	322	14	6
				„ Gift of Debentures	50	0	0
				„ Dividends and Interest (including Income Tax recovered)	452	0	5
	£1,726	13	11		£1,726	13	11

BALANCE SHEET, *September 30th*, 1931.

	£	s.	d.	£	s.	d.
Sundry Creditors	55	0	0	Cash at Bankers—			
Revenue Account—				Current Account	33	4	0
Balance at Sept. 30th, 1930 .. .. £9,603 2 5				Deposit Account	200	0	0
Add Balance for 1931.. 612 1 8				Investments at Cost—			
	10,215	4	1	£4,550 3½ per cent. Conversion Stock 3,493 8 2			
				£2,750 4½ per cent. Conversion Stock 2,582 5 2			
				£400 5 per cent. Conversion Stock 418 6 0			
				£900 4 per cent. Funding Loan, 1960-90 .. .. 676 18 6			
				£1,262 17s. 4 per cent. Consolidated Stock 1,000 0 0			
				£500 India 3½ per cent. Stock 533 9 0			
				£484 17s. 4d. Local Loans 3 per cent. Stock .. 466 0 0			
				£200 London County 3 per cent. Consolidated Stock 171 16 0			
				£204 0s. 10d. New South Wales 5½ per cent. Stock, 1922-1932.. .. .. 197 3 9			
				£208 10s. New Zealand 4½ per cent. Stock, 1948-1958 200 16 0			
				£300 London and North Eastern Railway 4 per cent. 1st Preference Stock .. 246 17 6			
				£50 Society of Incorporated Accountants and Auditors 5 per cent. Debenture (Gift) 50 0 0			
					10,037	0	1
	£10,270	4	1		£10,270	4	1

HENRY J. BURGESS, *Chairman of Trustees.*

I have examined the above accounts, together with the Books and Vouchers, and find the same to be correctly stated. I have also verified the securities of the Fund.

61, West Smithfield, London, E.C.
November 28th, 1931.

W. SOUTHWOOD SMITH,
Incorporated Accountant,
Hon. Auditor.

COMPARISONS OF RATES IN TOWNS AND URBAN DISTRICTS.

Mr. W. Allison Davies, F.S.A.A., Borough Treasurer of Preston, has again prepared his usual pamphlet giving a comparison of the rates levied in the various towns and districts in England and Wales. The pamphlet supplies much valuable information which must have cost Mr. Davies a good deal of trouble to collect. The tabulated figures show the rateable value, total rates levied, rate per head of population, the charges made for gas, water and electricity, and the extent to which the rates of each municipality have been increased or decreased by the profits or losses made on these undertakings. Particulars are also given of the purposes to which the rates have been applied, together with a comparison of the total rate levied for the preceding year.

Incorporated Accountants' District Society of Yorkshire.

ANNUAL DINNER.

The annual dinner of the Incorporated Accountants' District Society of Yorkshire took place at the Great Northern Hotel, Leeds, on December 11th. The President (Mr. WILLIAM TATE, F.S.A.A.) presided over a large gathering, which included the Deputy Lord Mayor of Leeds (Mr. George Brett), Mr. Henry Morgan, F.S.A.A. (President, the Society of Incorporated Accountants and Auditors), Major James Milner, M.P., Mr. F. T. Chadwick (President, Leeds Chamber of Commerce), Mr. J. H. Bromley (President, Leeds Law Society), Mr. H. H. Blackburn, F.C.A. (President, Leeds and District Society of Chartered Accountants), Mr. H. E. Clegg (Secretary, Leeds Law Society), Dr. Terry Thomas (Headmaster, Leeds Grammar School), Mr. J. E. Waring, F.C.A. (Secretary, Leeds and District Society of Chartered Accountants), Mr. L. Lewis, F.S.A.A. (President, Incorporated Accountants' District Society of Sheffield), Dr. G. H. Austin, B.A., LL.B. (Principal, Leeds College of Commerce), Mr. Clifford Bowling (Official Receiver), Mr. Charles Bullwinkle (Principal Inspector of Taxes), Mr. T. W. MacLeod (Inspector of Taxes, 2nd District), Mr. Frederick Holliday, F.S.A.A. (member of the Council), Mr. James Mitchell, F.I.M.T.A. (City Treasurer), Mr. R. L. Matthews, O.B.E. (Chief Constable), Mr. W. J. Bees, B.Sc. (Director of Education), Mr. Alexr. Hannah, F.S.A.A. (President, Incorporated Accountants' District Society of Liverpool), Mr. Ernest E. Edwards, B.A., LL.B. (Parliamentary Secretary, the Society of Incorporated Accountants and Auditors), Mr. J. Telfer, A.S.A.A. (Secretary, Incorporated Accountants' District Society of Newcastle), Mr. H. B. Frank (Barclays Bank Limited), Mr. F. Smith (Midland Bank Limited), Mr. H. Turner (National Provincial Bank Limited), Mr. E. H. Rushton (Yorkshire Penny Bank Limited), Mr. H. Bushby (National Provincial and Union Bank Limited), and Mr. T. W. Dresser, F.S.A.A. (Secretary of the District Society).

Mr. J. H. BROMLEY (President, Leeds Law Society), who proposed the toast of "The Society of Incorporated Accountants and Auditors," said that, according to the Year Book, the Society, which was incorporated in 1885, had now approaching 6,000 members, and with a desire for accuracy, the compilers pointed out that four of these were honorary members. (Laughter.) It was most pleasing to observe the continued and progressive increase in membership. This was somewhere in the region of 300 a year gross. The book did not give the net increase—a most shocking case of suppressed material fact. (Laughter.) So far as a lawyer could understand a revenue account and a balance sheet, and rely on same—(laughter)—the position of the Society appeared, on the face of this document, to be excellent. He was astonished to observe, on the debit side of the balance sheet, subscriptions in advance. He ventured to surmise that none of these emanated from Yorkshire. (Laughter.) Paying a tribute to the accountancy profession, Mr. Bromley said he was sure that in their great work the business community little realised what they owed accountants—until they got the bills. (Laughter.) On the subject of Income Tax alone, they must save taxpayers inestimable amounts, and that, of course, was in addition to what the taxpayer saved for himself. (Laughter.) The State itself owed a great debt to the profession for its assistance in elucidating traders' accounts and getting in the taxation of the country.

ACCOUNTS OF PUBLIC COMPANIES.

Mr. HENRY MORGAN, F.S.A.A. (Presidentof the Society of Incorporated Accountants and Auditors), responding, said that he had very close and intimate associations with Yorkshire. His family had been resident in Yorkshire for some 35 years, and his mother still lived in Bradford. The pleasure which he felt at being present was also enhanced by the fact that this toast had been proposed by the head, in that city, of a great and old profession, with whose activities those of their own profession were frequently very closely associated. Three weeks ago that night, as the guest at the inaugural banquet of the Hull District Society, one of four Yorkshire District Societies of Incorporated Accountants, his remarks were directed to the question of secret or hidden reserves in the balance sheets of public companies, which figured so prominently in the recent case of the *Royal Mail Steam Packet Company*. It was to the subject of the profit and loss account that he was going to refer that evening. One of the outstanding features in connection with public companies in recent years had been the greatly increased extent to which the general public had been dealing in their shares on the Stock Exchange, and this accumulated in that great speculative boom of some two or three years ago. There was no question that the speculative habit had greatly increased since the War, and a very much larger number of people were interested in the price of stocks and shares on the Stock Exchange, with the result that accounts and reports of public companies were studied very much more widely than they were previously. His opinion, from the point of view of shareholders, was that the profit and loss account was a very much more important statement than the balance sheet, because the earning capacity of a company in relation to its capital was the governing factor in determining the price of the shares. If any proof of this were required, he need only refer them to the daily newspapers. There was hardly a daily newspaper of any consequence, of which its financial columns were not a leading feature. The financial editors were amongst the leading authorities on stock and share values, and the investing public relied to a very large extent, and with very good justification, upon the views which they expressed. Now, these financial experts almost invariably based their opinions as to value upon the profits which were earned and the dividends which were paid, or could be paid, out of those profits. Profit-earning capacity was also a principal factor which governed the value of the fixed assets which usually appeared in a balance sheet at amounts which were based on original cost. For instance, "buildings, plant and machinery," unless the earning capacity showed an adequate return upon the capital which they represented, could not ordinarily be regarded as justifying the balance sheet values. In view of these considerations, it was difficult to understand the provisions of the Companies Act relating to the balance sheet and to the profit and loss account. The comprehensive provisions of the last Companies Act as to the form and contents of the balance sheet and its certification by the auditor stood out in strong contrast to the entire absence of any such provisions as regards the profit and loss account. Prior to the 1929 Act there was no obligation upon the directors of public companies to issue any profit and loss account, and sect. 123 (sub-sect. 1) of that Act provided that the directors of every company should lay before the company in general meeting either a profit and loss account or an income and expenditure account.

Subsect. 2 of the same section of the Act made similar provision with regard to the balance sheet. In the priority given to the profit and loss account in that section he might claim some support for his contention that, from the point of view of shareholders, the profit and loss account was the more important statement. Amongst the prominent features of the 1929 Act were provisions to ensure that certain abuses which had been prevalent in regard to the form of the balance sheet and the paucity of information contained therein should be cured. Nothing whatsoever was done to effect a similar object in regard to the profit and loss account, because, although it was made obligatory to issue a profit and loss account, it had been the practice to do so for very many years past. In the 1929 Act there was not the slightest indication as to the form of, or what should be contained in, the profit and loss account other than the requirement to state the amount paid to directors as remuneration for their services, which in the ordinary way would be shown in the profit and loss account. Now, in the case of the Royal Mail Steam Packet Company, it had been the custom to issue a profit and loss account showing the trading profit, dividends from allied and other companies, adjustment of taxation, less depreciation, &c., all of them in one omnibus item, no particulars whatsoever being given as to the profits or revenue under their separate headings. The Royal Mail Company was not unique in adopting that course. He could produce scores, hundreds if necessary, of profit and loss accounts, not of insignificant but of important and well known companies, where exactly the same practice had been followed—*i.e.*, of grouping in one item, profit on trading, income from investments and properties, royalties and revenue of all sorts from every source, whether of abnormal or temporary character. It was easy to see that a profit and loss account drawn up on those lines might be grossly misleading to shareholders and to the public as to the value of a company's shares, and he wanted to emphasise this point—that there was no provision whatsoever in the Companies Acts which prevented a continuance of that practice. Especially did he maintain that in every case where the profit and loss account was affected by any reserve or by any expenditure or revenue not directly applicable to the period covered by that account, then full particulars, together with the amounts, ought to be clearly set out in that account. Otherwise the very designation "profit and loss account for the period" was illogical.

There was some controversy within the profession as to the auditor's responsibility for the form of, and for the information contained in, the profit and loss account. Few accountants would contend that the auditor had not some responsibility, especially if he had reason to believe that its form or contents were calculated to mislead. Under the Companies Acts the auditor's certificate was definitely restricted to the balance sheet, in which nothing usually appeared regarding the profit and loss account except the balance thereof, which, of itself, might be accurate. The Acts contained no provision to enable an auditor who might be dissatisfied either with the form or the information contained in the profit and loss account to communicate his dissatisfaction to the shareholders. In such a case what should an auditor do? Some leading accountants expressed the view that the only course open to him was to refuse to certify the balance sheet, to which document, it might be, no exception whatsoever could be taken. Let them consider the difficulty and responsibility of the position in which an auditor would be placed. He would be in conflict with the directors, whose intentions might be quite genuine, and he could not ignore the possibility that the action which he considered it necessary he should take might have very serious consequences so far as the company was concerned. It was to the credit of members of their profession that cases were rare where auditors had sought to avoid their obligations. He said it was not right or fair that the question of their responsibility for the profit and loss account should be left in this indefinite state and that their power in this connection should be of a negative character.

What were the remedies? In the first place, he considered there should be provisions in the Companies Acts as to the general form and contents of the profit and loss account, just as there were provisions in regard to the balance sheet. He was fully alive to this fact, that the definition might present some difficulty, but that difficulty could and should be overcome. Now, in the second place, he said that the auditor's responsibility for the profit and loss account should be placed beyond question, and that his certificate should be extended by the use of some phrase such as "the profit and loss account is a true and correct statement showing the profit earned (or the loss incurred) during the period covered by that account." Legislation on those lines would be a very valuable safeguard to shareholders, and would do much to meet the criticism from time to time directed against the published accounts of public companies. Three weeks ago that night, Mr. Baldwin, speaking a few miles from that place, made this observation: "Amalgamation in certain businesses may be a very good thing if it is honestly carried out, but amalgamation by the company promoter seldom is, and is very little good to industry." That was not the first time that Mr. Baldwin had made significantly critical remarks in connection with the carrying on of public companies, and it showed that at least one of the highly placed members of the Government was alive to the existence of serious abuses in connection with the carrying on of public companies. He had heard it stated that in certain quarters there was some anxiety as to where and how capital so urgently required for the resuscitation of industry could be obtained. Very large amounts of capital could undoubtedly be obtained from the investing public, but, in his opinion, only if some assurance were given that legislation would be introduced and adequate steps taken to rectify serious difficulties in the present Companies Acts and to prevent the outrageous exploitation of investors that occurred some two or three years ago. To that end members of the accountancy profession should exert whatever influence they might possess and, in so doing, contribute some share in the nation's task of restoring the happiness and prosperity of our people.

Mr. F. T. CHADWICK (President, Leeds Chamber of Commerce), proposing "The City and Trade of Leeds," said that the previous week he was invited to give an interview to a representative of a big financial house in London with reference to trade prospects in Leeds. He replied that he could not do so, but that he would ask a number of leading men to outline their own impressions. The result was that they spent one of the most interesting hours in discussion that he had experienced for a long time. As a result of interviews which he had with many persons representing different branches of industry, he was of opinion that next year would be far more critical for this country and for the world than any other year, even including the War years. Not a single financial magnate or economist seemed to have the slightest idea what would happen.

The DEPUTY LORD MAYOR OF LEEDS (Mr. G. Brett),

responding, said that although not a pessimist by nature, for he would be classed as an eternal optimist by those who knew him best, he also had misgivings as to the next twelve months, but he was asking people to face the future with courage. It was not definitely a problem just for Leeds or for this country, but one which was international, and only by facing it from that point of view would it be solved, in his opinion. The sooner the statesmen of this country and of other countries recognised that they could not solve their present difficulties on national lines, the sooner the world would recover from the chaos it was in at the present moment. He had a firm conviction, though it might be founded on a fallacy, that, sooner or later, the accountants of the world would probably solve this problem. He believed it would be done, in the end, by some change in the accounting system of the world's production and the world's exchange.

Major J. MILNER, M.P., who also responded, said his short experience in Parliament had shown it to be very necessary that all those interested in legislation should be consulted by the Government for the time being, whenever it was possible, before measures were put on the Statute Book. Bank managers too might help by expressing their opinion on the restriction of credit existing at the present time, in view of the high bank rate. To him, it was not a sufficiently good reason that the bank rate should be kept so high to prevent so little foreign money deposited in banks in this country from leaving the country.

Mr. FREDK. HOLLIDAY, F.S.A.A., proposing "Kindred Institutions and Societies," said there was a time when accountants and estate agents used to be a combined profession, and even now, in some parts of the country, they tried to carry on a joint business. He was not quite sure that accountants had lost by the dissolution of that partnership. (Laughter.) They had been twitted that night and many times before upon the fact that amongst accountants the number of societies appeared to be legion. It was surprising how many people liked to give them a piece of their mind. Somebody once said it was a very extravagant gift from a very limited store. (Laughter.) They were very proud of the kindred institutions and societies, particularly those represented at that dinner. The Chartered Accountants' Institute was an organisation of which its members might be justly proud. Though the various societies were not related to each other, they were allied in many different ways, to their mutual advantage and to the advantage of the community. Perhaps the greatest act of friendship between members of the different organisations of accountants was the way in which their President (Mr. Morgan) sat for several days in Court during the Kylsant trial in order to support a distinguished member of the Institute of Chartered Accountants, and when asked "Would you have signed that balance sheet if you had been the auditor?" without any qualification instantly replied, "I would." Many minor bodies of accountants were now getting recognition in various ways. It was no use blinking their eyes to the fact that a great deal of work in the way of accounting was being done by accountants who were neither Chartered nor Incorporated. All these things were militating against the future of the profession, and it remained for some statesman to arise among the societies to show the way out of these difficulties.

Mr. H. H. BLACKBURN, F.C.A. (President of the Leeds and District Society of Chartered Accountants), responded, and said that in Leeds a very friendly feeling existed between all accountants, whether members of the same societies or not. In that city, there was an accountants' section of the Chamber of Commerce, which considered all matters of interest to the Chamber from their professional point of view. This joint accountants' committee also met from time to time members of the legal profession in conferences that took place with the Law and Parliamentary Sections of the Chamber. He would not presume to say that the Chamber reaped vast benefits from their deliberations, but he did say that the members who met in this public work, even if they did not gain any experience, benefited from co-operation with kindred societies.

Mr. WM. TATE, F.S.A.A. (President of the Incorporated Accountants' District Society of Yorkshire), proposed in felicitous terms the toast of "Our Guests."

Mr. CHARLES BULLWINKLE (Principal Inspector of Taxes, Inland Revenue, Leeds Area), responding, spoke of the tremendous amount of extra work thrown upon his Department by the second Budget. It was impossible for anyone outside to form any adequate idea of what it had involved, but if there were any men in this country who could appreciate what it had meant, it was those members of the accountancy profession whose work brought them in such close contact with the Department.

Mr. ALEXR. HANNAH, F.S.A.A. (President of the Incorporated Accountants' District Society of Liverpool), congratulated the Yorkshire Society upon its courage in holding that dinner. He could not see quite why the campaign of economy had laid its ban so hardly upon public dinners. It seemed to him that so long as the pound was worth 20s. internally it was good for them to trade with one another, and a dinner was only a form of trading. He maintained that the accountant's position had become such at the present time that he had more knowledge of the private affairs of his client than his solicitor or his doctor. He was consulted upon all sorts of questions and difficulties, and he was asked to advise upon matters so entirely diversified as whether it would be prudent to buy this or that investment, and the wise treatment of a wayward daughter. (Laughter.)

QUESTIONS IN PARLIAMENT.

Income Tax.

Mr. BRIANT asked the Chancellor of the Exchequer why Inspectors of Taxes are requiring of small shopkeepers that their accounts for the purpose of assessing Income Tax should be prepared by a qualified accountant, which involves a considerable expense? and is he aware that the statements made by the persons concerned are not accepted, and that the assessments have been raised as much as over 50 per cent. without any evidence as to the accuracy of the increase?

Mr. CHAMBERLAIN: I am not aware that such requirements as are suggested in the question are being made. If, however, the hon. Member has a particular case in mind I shall be pleased to look into the matter if he will communicate with me. I would remind him that the Income Tax assessments in these cases are not made by the Inspectors of Taxes, but by the various bodies of Income Tax Commissioners.

Reviews.

The Incorporated Students' Telephone. *London: H.F.L. (Publishers), Limited, 17, Ironmonger Lane, E.C.2.* (84 *pp. Price* 2*s.* 6*d.; post free* 2*s.* 8*d.*)

Candidates who sat for the recent examinations of the Society of Incorporated Accountants and Auditors will be interested to see this publication in order to compare the answers given therein with their own efforts in the examination room. The book contains model answers to all the questions set in the Intermediate and Final examinations of the Society held in the month of November last.

The Law Relating to Bankruptcy, Liquidations, and Receiverships. *By C. A. Sales, LL.B., F.S.A.A. London: Macdonald & Evans, 8, John Street, Bedford Row, W.C.*1. (410 *pp. Price* 10*s.* 6*d. net.*)

Mr. Sales is well known to many of our readers as an authority on legal subjects in which accountants are particularly interested. In writing this book he has taken the opportunity of explaining the operation and effect of legal provisions which are somewhat obscure to the lay mind. The book is a very readable one, the text having been kept free, as far as possible, from technical language. The subjects have been treated in chronological sequence, which helps the reader more easily to comprehend the intricacies of difficult enactments. In dealing with Bankruptcy, the subject is classified under Acts of Bankruptcy, the Petition, Proceedings up to Adjudication, and the Discharge of the Bankrupt. Following this are chapters relating to the duties of the Trustee, the control exercised over him by the Board of Trade and the Committee of Inspection, the method of dealing with proofs of debt, preferential debts and dividends; and a concluding chapter discusses the Trustee's control over the bankrupt's property. In dealing with voluntary liquidations, distinction is clearly drawn between the provisions applying to a Creditors' Winding Up and a Members' Winding Up, and on certain points the author has drawn attention to defects and inconsistencies which, in his judgment, are capable of amendment. There is an appendix of forms, together with the Board of Trade Regulations in relation to the winding up of bankrupt estates, and a number of selected examination questions which students will find very useful.

Company Transfer Work. 2*nd Edition. By G. A. White. London: Effingham Wilson,* 16, *Copthall Avenue, E.C.*2. (134 *pp. Price* 7*s.* 6*d. net.*)

The author of this book explains what he considers to be the simplest procedure in relation to transfer work, together with the methods of carrying it out, and the uses of machines in relation to the routine work. Specimen rulings are given for all the books, together with reproductions of the forms and rubber stamps required in connection with the transfer department. Information is also supplied with regard to the allotment of shares, the issue of share certificates, the keeping of the share register, and the payment of dividends, &c., and in this connection the requirements of the Companies Act, 1929, are embodied.

Voluntary Liquidation under the Companies Act, 1929. *By Herbert W. Jordan and R. J. Blackadder, C.A. London: Jordan & Sons, Limited, Chancery Lane, W.C.*2. (226 *pp. Price* 10*s. net.*)

The distinction between a Creditors' Voluntary Winding Up and a Members' Voluntary Winding Up is fully explained in this volume, a separate portion of the book being devoted to each; and, with the appendix which contains the Winding Up provisions of the Companies Act, 1929, it makes a very complete handbook on the subject.

Pitman's Office Desk Book. 3*rd Edition. London: Sir Isaac Pitman & Sons, Limited, Parker Street, Kingsway, W.C.*2. (296 *pp. Price* 2*s.* 6*d.*)

This little volume contains brief information on a vast number of different subjects, and is a most useful book to have in an office. Its contents are difficult to describe, as they cover a wide range of subjects, embodying such matters as interest tables, card indexes, telegraphic codes, import trade procedure, trade marks, workmen's compensation, and how to correct printers' proofs.

Public and Company Meetings. 13*th Edition. By Albert Crew, Barrister-at-Law. London: Jordan & Sons, Limited, Chancery Lane, W.C.*2. (374 *pp. Price* 5*s. net.*)

In compiling this edition the author has taken the opportunity of thoroughly revising the text in order to embody the provisions of the Companies Act, 1929. More attention has been given to the law relating to the procedure at meetings in so far as it affects the suspension and expulsion of a member from a club or society, a leading case on which is included and considered. The whole subject of meetings of both directors and shareholders is fully dealt with, and a comprehensive and exhaustive index adds materially to the value of the work.

Supplement to the Municipal Student's Examination Notebook. *By Stanley Whitehead, F.I.M.T.A. London: Sir Isaac Pitman & Sons, Limited, Parker Street, Kingsway, W.C.*2. (130 *pp. Price* 1*s. net.*)

The first portion of this little book consists of supplementary notes to the original Notebook by the same author, including the amendments rendered necessary by recent legislation. The second portion contains notes on banking, public finance, and economic science, these having been added as separate subjects to the examinations syllabus of the Institute of Municipal Treasurers and Accountants since the original Notebook was published. It will thus be understood that the book must be used in connection with the previous publication, and cannot be regarded as complete in itself.

Changes and Removals.

Mr. Percy Toothill, Incorporated Accountant, announces that he is taking into partnership his son, Mr. H. Gerald Toothill, Incorporated Accountant, as from January 1st, 1932. The practice will be continued at 9 and 11, Figtree Lane, Sheffield, as Henry Toothill & Son.

Messrs. Fred A. Fitton & Co., Incorporated Accountants and Messrs. Wilson, Martin & Co., Incorporated Accountants, announce that, as from January 1st, 1932, there will be an amalgamation of practices. The new firm, comprising Mr. Fred A. Fitton, Mr. Frank O. Wilson, Mr. Henry Smith and Mr. Francis A. Martin, will practise at British Dominions House, 30, Cross Street, Manchester, and at Mazda Buildings, Campo Lane, Sheffield, under the style of Fred A. Fitton, Wilson, Smith & Martin.

Messrs. Barker Brothers & Wood, Chartered Accountants, have removed their offices to Regent House, 89, Kingsway, London, W.C.2.

Messrs. S. R. Batliboi & Co., Incorporated Accountants, Calcutta and Rangoon, have admitted into partnership Mr. M. S. Davar, A.S.A.A. The practice will be carried on in the same name as before, Mr. Davar being the resident partner in Rangoon.

Mr. W. Morris Budd, Incorporated Accountant, has removed his offices to 34, Dame Street, Dublin.

Messrs. Carter & Pickard, Incorporated Accountants, announce a change of address to Standard Buildings, City Square, Leeds.

Messrs. G. E. Shubrook & Co., Incorporated Accountants, have removed their office to 48, Bedford Row, London, W.C.1.

Incorporated Accountants' Liverpool and District Society.

Accountancy Within and Without.

The annual luncheon of this Society was held at the Exchange Hotel, Liverpool, on December 4th. The guest was Mr. A. A. Garrett, M.A., B.Sc., F.C.I.S., Secretary of the Parent Society. The President of the Liverpool Society, Mr. ALEXANDER HANNAH, was in the chair, supported by Major E. S. Goulding, O.B.E. (the Vice-President), Mr. C. Hewetson Nelson, J.P., Mr. Alan Standing (Members of the Council), Mr. C. M. Dolby (Chairman of the Liverpool Students' Section), Mr. Lawrence Bailey, Mr. Ernest Chetter, Mr. Fredk. J. Coombes, Mr. S. W. Hanscombe, Mr. C. Henry Huntley, Mr. T. T. Plender, Mr. Cecil Semper, Mr. J. C. Summerskill, Mr. Charles Tunnington (Members of the Liverpool Committee), Mr. Samuel Woodyer (Auditor), Mr. R. Duncan French, C.C., Mr. W. H. Legh-Smith (City Treasurer, Liverpool), Mr. J. Boucher (City Treasurer, Wallasey), Mr. C. Dudley Thayer (Secretary of the Liverpool Students' Section), and Mr. W. Bertram Nelson (Secretary of the Liverpool Society). There was a large attendance of members.

The PRESIDENT (Mr. Hannah) welcomed Mr. Garrett, and expressed the pleasure of the Liverpool members and students that Mr. Garrett was their guest. Mr. Hannah said they were appreciative of Mr. Garrett's work as Secretary of the Society and of his courtesy to the members and students whenever they had occasion to consult him. He had pleasure in calling on Mr. Garrett to deliver his address on "Accountancy Within and Without."

Mr. GARRETT said that he was delighted to be the guest of the Liverpool and District Society, and to meet so many friends. This was the first time he had attempted to stimulate or to beguile the thoughts of busy people at a mid-day luncheon, and he relied on their forbearance and goodwill.

The Liverpool District Society was an excellent witness to the growth of the Society of Incorporated Accountants. His pleasure was increased by the fact that his friend, Mr. Alexander Hannah, was in the chair. They had been in constant and friendly communication during the seventeen years Mr. Hannah was Hon. Secretary of the District Society. During that period a very successful conference was held in Liverpool in 1921—the first the Society held after the War, when conditions were somewhat difficult.

Perhaps he might mention the enormous amount of time which Mr. Hewetson Nelson, as Chairman of the Finance and General Purposes Committee and of the Board of Examiners, and Mr. Alan Standing, as a member of the Council, gave to the Society's affairs. Liverpool had a large share in the life of the Society. The administration of the Society had a peculiar link with Liverpool, as his colleague, Mr. Ernest Edwards, came from their city. The artistic side of the life of Liverpool was represented at Incorporated Accountants' Hall by the portraits of Past Presidents executed by Mr. John A. A. Berrie. He was also glad to see their immediate Past-President, Mr. Dolby, whom he described as an exponent of brighter accountancy. He congratulated them on the selection of their President and of their Hon. Secretary, Mr. Bertram Nelson, who he was sure would not only sustain the tradition of his family in the Society's work, but had already shown himself to be fruitful in ideas which provided those in London with almost daily thought. The interests of the members in Liverpool were in safe hands, and the keenness and ability of Mr. Bertram Nelson were a source of inspiration to all.

ACCOUNTANCY WITHIN.

In speaking of accountancy within, Mr. Garrett said he naturally considered the profession from the point of view of the Society. The growth of accountancy as a profession within half-a-century was a remarkable expression of the free institutions of Great Britain. The Society was founded 46 years ago, and during the whole of that period it had enjoyed the valued advice and support of Mr. F. Walmsley, Manchester, the Senior Past President.

Mr. Garrett then referred to the supply of candidates for the Society. It was a welcome sign that head masters (or in some cases careers masters) were taking considerable interest in the future careers of boys leaving school. He suggested that members of the Society, by keeping in touch with their own schools, could be of service to the Society and to the schools by recruiting staff through these channels. A certificate of the matriculation type was most desirable. So far as the Society was concerned matriculation had proved sound as an intellectual test, notwithstanding the educational critics. Great importance was attached to the Society's examinations as a test of professional knowledge, and, he would emphasise, of experience; but it was well they should be kept in proper perspective, relative to the whole of the factors which constitute the training of an Incorporated Accountant. The examinations were also definitely a selective process, and the three hundred or more new members admitted every year were not necessarily an index of the larger number who had set their ambitions on the road to the accountancy profession. It was provided that professional work and theoretical study should be carried on simultaneously. A perusal of the papers submitted at the last two International Congresses led him to believe that any extension of professional education which might be considered must be governed by that salutary practice.

In addition to the acquisition of professional knowledge, the training of an Incorporated Accountant should stimulate the mind to criticise, to construct and to create, and continuously to feel the pulse of business and financial movements. He was not attempting a new definition of genius, but it could be said that the higher abilities were marked by a capacity to simplify the involved and often to see and do the obvious when others did not.

On the question of professional fees, a decent reticence was maintained; but little more was said upon professional ethics, though much was understood. The instinct for professional good taste became a matter of individual and professional honour, beyond the definition of any written instructions. Moreover, too much discussion might lead cynics to infer "Satan condemning sin." He mentioned the subject because an interesting book had recently been written on "The Ethics of a Profession," by Mr. A. P. Richardson, formerly Secretary of the American Institute of Accountants. The book was a kind of Pilgrim's Progress for the young practitioner, and dealt with the possible temptations that might beset him. Mr. Richardson's friendly advice was in parts punctuated with almost Calvanistic condemnation of unfair methods. In an admirable note, Mr. Richardson summed up the purpose and contents of his book: "There are thousands of men to whom a written rule is unnecessary. It is the thoughts of these men that it is hoped have been caught and written here. . . . An accountant who will do things not quite in consonance with the best traditions will not do the best work."

His last word on accountancy within was upon the work

of that valuable institution, the Incorporated Accountants' Benevolent Fund, which was honoured by having Mr. Hannah as a Vice-President. The Trustees of the Fund, within the resources at their disposal, endeavoured to help in a friendly spirit the less fortunate among the members in times of difficulty, widows and dependents of deceased members, and—perhaps most fruitful of all—to assist in the education of children of deceased members. He would thank those who so liberally responded to the appeal of Sir James Martin last year for the augmentation of the Fund's investments. He earnestly appealed for the extension of practical interest in the Fund, and he hoped everybody would become at least an annual subscriber. If any member had ambitions to become at some time a Vice-President, Mr. Hannah and Mr. Garrett himself would be very happy to advise him privately.

ACCOUNTANCY WITHOUT.

Here he was on less sure ground. He was thinking of the contacts of the accountancy profession with commercial and financial affairs. The economist considered groups: he dealt with his material collectively and indicated trends. The accountant dealt with individuals and single undertakings: he was concerned with the detailed effects of trends. The accountant's method was to ascertain relevant facts, to submit an interpretation for a particular purpose and immediate action, and to suggest here and now the solution of a problem.

The business of the accountant was thus severely practical, and yet he must keep in touch in a general way with economic and financial matters. The "economist-accountant" had scarcely evolved, but his role might be cast in the future. The financial and economic milestones of the last ten years, and especially of the last six months, had passed by with bewildering rapidity. Concurrently, invention had succeeded invention. Thus ever changing considerations affected the earning power of capital, depreciation, obsolescence, the valuation of assets, rates of exchange and the labyrinth of income tax. At recent meetings of the Society in London and elsewhere views had been exchanged with financial writers, economists and well known business men on the major problems which impinged upon the work and responsibilities of the public accountant.

Amid the prevailing instability and uncertainty it might be well to recall progress made in the multiplication of small capitalists. To indicate the accomplishments and equally the possibilities of the small capitalist movement, which would have far-reaching and beneficial effects on business and social stability, Mr. Garrett quoted recent figures of the assets of building societies and friendly societies, and small investments in Government securities. These might be called safety first investments. Going further, the *Financial News* recently made an interesting analysis of the ordinary shareholders in ten sample companies. It was found that no less than 87.7 per cent. held less than 500 shares, and only 5.2 per cent. held more than 1,000 shares. Under all these headings there were a large number of small investors whose savings were a magnificent reservoir of the nation's credit.

Considerable publicity had been given to hire-purchase or instalment sales—once described as the "never-never system." The system had been much criticised, but the Macmillan Committee stated: "Recent experience appears to show that, on proper lines and with sound supervision, the risk of loss in granting of credits is small, while on the other hand their value in stimulating home consumption should be great. The use of electrical and mechanical appliances by the great bulk of the population is capable of very great extension, and would, we believe, be greatly facilitated by the more widespread application of instalment buying, the advantages of which much outweigh any disadvantages which are alleged against it."

Anxiety was now centred in the maintenance of the £ sterling. Favourable indications, however, were that the note issue at present was £750,000 less than last year, and that the domestic purchasing power of the £1 was higher than a year ago. The financial system of the country, and the international financial system of the world, might seem very complicated, yet recent experiences had demonstrated that the simple propositions with which the accountant was familiar were equally applicable to the nation's finances, whether considered internally or externally. These were that:—

(1) The overspending of public money produces similar results to the overspending of private money.

(2) Generally speaking, we cannot spend abroad more than we can earn abroad.

(3) The peril of treating capital as income.

(4) The risks of mortgaging the future.

They had taken hope from the determination of the country to balance the Budget and to balance its trade. Great Britain's difficulties were in part the result of deep-seated and widespread trouble affecting the whole world. The idea of eternal prosperity in splendid isolation entertained elsewhere was but a short-lived myth.

Fortunately, it seemed that the doubts of the last few years had given way to a wider understanding and appreciation of how the present situation had come about. Until that cursed trinity of War Debts, Reparations and Gold-hoarding had been eliminated, price stability and a normal level of employment could not be attained. A large amount of literature on these subjects had been published, some well informed, some speculative; the fact that that admirable pamphlet published by *The Times* on the "Financial Crisis" had been reprinted several times showed that public opinion was both aroused and interested. The solution of these matters was not for the accountancy profession, though its leaders from time to time had not failed to indicate the danger ahead. The Society was under a great obligation to its President, Mr. Henry Morgan, for his statements on public matters.

That able critic, the Dean of St. Paul's, recently described the nineteenth century as the century of hope, and the twentieth (so it seemed) as the century of disillusionment. The first third of the present century had given ample ground for such a view. But yet might it not be that in the sphere with which they were more particularly familiar, the disillusionments of those thirty years, and more especially of the last ten years, had left them with a fund of experience and knowledge for future guidance, warning and encouragement?

A vote of thanks to Mr. Garrett for his address was moved by Mr. ALEXANDER HANNAH, and seconded by Mr. R. DUNCAN FRENCH, and Mr. Garrett made a brief response. A vote of thanks to Mr. Hannah for presiding was moved by Mr. C. HEWETSON NELSON and carried by acclamation.

The Royal Exchange Assurance has issued a small pamphlet dealing with the question of trusteeship of wills and settlements. The first part of the pamphlet argues the case for the appointment of corporate trustees in preference to individuals, while the second portion consists of some practical advice on the making of Wills.

The Society of Incorporated Accountants and Auditors.

RESULTS OF EXAMINATIONS, NOVEMBER, 1931.

Passed in Final.

Order of Merit.

HOWARD, REGINALD PERCIVAL, Deputy Borough Treasurer, Municipal Offices, Watford. (*First Certificate of Merit and First Prize.*)

EWART, JOHN, 8, Queen Street, Cardiff, Practising Accountant. (*Second Certificate of Merit.*)

CLAYTON, EDGAR FRANCIS, H.M. Inspector of Taxes, Ipswich 1st District, Revenue Chambers, Providence Street, Ipswich. (*Third Certificate of Merit.*)

HAYHOW, HENRY, City Treasurer's Department, Town Hall, Newcastle-on-Tyne. (*Fourth Certificate of Merit.*)

BRAY, FRANK SEWELL, Clerk to Tansley, Witt & Co., Old Serjeant's Inn Chambers, 5, Chancery Lane, London, W.C.2. (*Fifth Certificate of Merit.*)

DOWRICK, GABRIEL MARSHALL, Clerk to E. C. Cooper (Cooper, Cozens & Co.), 8, East Stockwell Street, Colchester. (*Sixth Certificate of Merit.*)

Alphabetical Order.

ANDREWS, HARRY, Borough Treasurer and Controller's Department, Municipal Chambers, Corn Street, Newport, Mon.

APLIN, LEONARD HENRY HILL, Clerk to W. W. Beer, Aplin & Co., 17, Bedford Circus, Exeter.

ARDILL, WILLIAM HENRY, Clerk to A. H. Muir (Muir & Addy), 7, Donegall Square West, Belfast.

AUSTIN, JOHN FARLAM, 38, Abbey Street, Carlisle (formerly Clerk to J. Jackson, Saint & Co., Carlisle).

BARKER, JOSEPH WILLIAM, Clerk to Armitage & Norton, Martins Bank Chambers, Bradford.

BARLOW, THOMAS, Clerk to William Wing & Son, Stirling Chambers, Campo Lane, Sheffield.

BASU, BHUPENDRA NATH, B.A., formerly Clerk to S. N. Mukherji, 1B, Old Post Office Street, Calcutta.

BAXTER, MALDWYN VINCENT, Clerk to Alban & Lamb, 11, Pembroke Terrace, Cardiff.

BECKETT, ROWLAND EWART, Clerk to Walter J. Edwards, International Exchange, 156, Edmund Street, Birmingham.

BEECH, ALBERT, Clerk to C. Clive Saxton (Saxton, Shaw & Co.), Bank Chambers, Eldon Street, Barnsley.

BENNION, HAROLD, Clerk to F. Geen & Co., Victoria Chambers, Liverpool Road, Stoke-on-Trent.

BESWICK, ERNEST MORLEY, Clerk to Donald H. Bates & Co., 10, Cheapside, Hanley, Stoke-on-Trent.

BHESANIA, MERVANJI NUSSERWANJI, formerly Clerk to Holliday, Robertson & Co., Empire House, St. Martins-le-Grand, London, E.C.1.

BLOUNT, WILLIAM HENRY, Clerk to Jas. M. McIntosh & Son, Cadogan Chambers, 6, Cherry Street, Birmingham.

BOND, ARTHUR WILLIAM, formerly Clerk to Prior & Palmer, General Buildings, Bridlesmith Gate, Nottingham.

BOTTOMLEY, HARRY, Clerk to William M. Gray, Son & Co., Palmerston Buildings, 5, Manor Row, Bradford.

BOWEN, THOMAS WILLIAM MATHIAS, Clerk to Alban & Lamb, 11, Pembroke Terrace, Cardiff.

BRADLEY, JOHN FREDERICK FREEMAN, Clerk to A. E. Haynes (Barnes Bryant, Haynes & Co.), 41, St. James's Place, London, S.W.1.

BRAHMAYYA, PARVATANENI, B.A., Clerk to G. E. Stringer & Co., 15 and 16, Thavies Inn, London, E.C.1.

BROWN, EDWARD JOSEPH CRICHTON, Clerk to E. J. Waldron (Woolley & Waldron), Blue Peter House, 8-10, Portland Terrace, Southampton.

BROWN, JOHN KENNETH, Clerk to C. C. Saxton (Saxton, Shaw & Co.), Bank Chambers, Eldon Street, Barnsley.

BRYAN, HERBERT WILLIAM RIDLEY, Clerk to A. F. Sharp (Hilton, Sharp & Clarke), 14, Gray's Inn Square, London, W.C.1.

CAWTHRON, CYRIL HALSTEAD, Clerk to T. M. Fish (E. Broadbent, Fish & Co.), Clarence Arcade Buildings, Stamford Street, Ashton-under-Lyne.

COLDRICK, ALBERT FRANCIS EDWARD, Clerk to Bourner, Bullock & Co., 17, Albion Street, Hanley, Stoke-on-Trent.

CONSTANCE, WILLIAM THEO, Clerk to C. F. Rumble (Clarkson & Rumble), 16-17, Devonshire Square, London, E.C.2.

COOK, JOHN DAVIDSON, 57, Huddersfield Road, Barnsley (formerly Articled Clerk).

CRAGGS, THOMAS, Clerk to Chipchase, Wood & Co., 125, Albert Road, Middlesbrough.

CROOKENDEN, WILLIAM EDWIN, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.

DINAN, WILLIAM PATRICK, Clerk to Sydney Larkin, City Treasurer, The Council House, Coventry.

EVANS, STANLEY JAMES, Clerk to Woolley & Waldron, Blue Peter House, 8 and 10, Portland Terrace, Southampton.

EVANS, WALTER, Clerk to E. R. Bradley (Bradley & Slater), 584, Christchurch Road, Boscombe, Bournemouth.

FAIRCLOUGH, FREDERICK CHARLES, Clerk to Holmes & Turner, Arcade Chambers, Wigan.

FILBY, HERBERT EDWARD, Clerk to Harold Carter, Son & Co., 6-7, Queen Street, Cheapside, London, E.C.4.

FLAY, JOHN CHARLES, Clerk to Edgar H. B. Butler, Midland Bank Chambers, 7, Broad Street, Worcester,

FORREST, LEONARD, Clerk to W. D. Burlinson & Co., Union Bank Chambers, Batley.

FRANKLYN, GEORGE CHARLES, Clerk to H. Sharp (Greenhalgh, Sharp & Co.), 30, Brown Street, Manchester.

FREEMAN, ERIC WILFRED PALLANT, Clerk to Tunbridge & Lacey, 6, South Quay, Great Yarmouth.

FROOME, HARRY, Clerk to A. C. Mole & Co., Stafford House, Billetfield, Taunton.

FULLER, HENRY HERBERT, Clerk to Barton, Mayhew & Co., Alderman's House, Bishopsgate, London, E.C.2.

GHOSH, SIDHARTHA KUMAR, B.Sc., formerly Clerk to S. R. Batliboi & Co., 9, Grant Lane, Culcutta.

GHOSH, SAROJENDU, B.Sc., Clerk to Philip E. Farr (Philip E. Farr, Rose & Co.), 70A, Basinghall Street, London, E.C.2.

GIBBARD, RICHARD EDWIN, Clerk to H. W. Pratt, Church Way, Silver Street, Wellingborough.

GILLAM, JOHN THOMAS, Clerk to H. T. Millman (Thomas May & Co.), Allen House, Newarke Street, Leicester.

GREGORY, STANLEY VERNON, Clerk to A. Richardson (A. & E. Law & Co.), Kingscourt, Bridge Street, Walsall.

HALL, THOMAS HENRY, Clerk to Frederick Allen (Rawlinson, Allen & White), Bank Chambers, Scotch Street, Dungannon, Ireland.

HALPENNY, JOHN WILLIAM, B.Comm., Clerk to Kevans & Son, 1-2, Westmoreland Street, Dublin.

HARRINGTON, KENNETH PROBERT, Clerk to W. A. Shepherd, Tredegar Street, Risca, Mon.

FINAL—(*Continued*).

HEATH, RICHARD EDWARD, Clerk to Reginald L. Tayler (Reginald L. Tayler & Co.), Coventry House, South Place, London, E.C.2.

HELMORE, LEONARD MERVYN, Audit Department, Ministry of Health, Whitehall, London, S.W.1.

HILL, EDGAR GEORGE, Clerk to W. M. Bayliss, Sons & Co., 16, Broad Street, Oxford.

HOLLAND, WALTER, formerly Clerk to Lloyd, Attiwell & Co., 78-79, Exchange Buildings, Stephenson Place, Birmingham.

HOLLOWAY, FRANCIS ERIC, Clerk to Fredk. W. Harris & Co., 28, New Bridge Street, London, E.C.4.

HORLER, RONALD VICTOR, Clerk to Edwards & Edwards, 22, High East Street, Dorchester.

HUMPHRIES, JOHN HENRY, Assistant Borough Treasurer, Town Hall, Milton Road, Stoke Newington, London, N.16.

HUNTER, WILLIAM ELLIS, Clerk to F. A. Cawson, Webster & Co., 34, Castle Street, Liverpool.

HUTCHINSON, JOHN, Clerk to Greaves & Co., Prudential Chambers, Bank Street, Carlisle.

ILES, LESLIE JAMES, Clerk to Chas. W. Clark, 23, Broad Street, Bristol.

INKIN, WILLIAM GRIFFITH LLOYD, Clerk to F. E. Price (Alban & Lamb), Central Chambers, Newport, Mon.

JACKSON, EDWARD CECIL, Clerk to Carter & Co., 33, Waterloo Street, Birmingham.

JONES, EVAN MORRIS, Clerk to Edwin Guthrie & Co., 71, King Street, Manchester.

JONES, EDWARD WICKERSON, Exchequer and Audit Department, Audit House, Victoria Embankment, London, E.C.4.

KANEEN, WILLIAM DOUGLAS, Clerk to W. H. Walker & Co., 50, Athol Street, Douglas, I.O.M.

KAY, NORMAN NEWISS, Clerk to Fredk. C. Crosland & Co., 10, Park Row, Leeds.

KEE, DOROTHY CAMPBELL, Clerk to H. E. Kneale, St. George's Chambers, 1, Athol Street, Douglas, I.O.M.

LANE, EDWARD GEORGE, Clerk to Harold F. Joy (Stephenson, Smart & Co.), 28, St. Thomas Street, Weymouth.

LEWIS, HARRY GREGORY PETTIT, Clerk to Ralph Pinto & Co., Capel House, 62, New Broad Street, London, E.C.2.

LITTLE, ROBERT DOUGLAS, Clerk to H. Moulder (Johnstone, Davies & Moulder), 13, Church Street, Kidderminster.

LONGMORE, CHARLES GEOFFREY, formerly Clerk to Sir Harry Hands (Hands & Shore), 106, St. George's Street, Cape Town.

MAGEE, JAMES OWEN, Clerk to Silversides, Slack & Barnsley, 44, Bedford Row, London, W.C.1.

MARSHALL, TOM, Clerk to W. G. Lithgow, Bank Chambers, 413, Lord Street, Southport.

MATTHEWS, LESLIE ROWDEN, Clerk to Alfred Nixon, Son & Turner, 31, 35 and 48, Victoria Buildings, St. Mary's Gate, Manchester.

MAYES, GILBERT MORRIS, Clerk to J. P. Clarkson (Clarkson & Rumble), 16-17, Devonshire Square, Bishopsgate, London, E.C.2.

MILBURN, ERNEST, Clerk to C. T. Aylen (Wood, Mair & Co.), 5, Frederick Street, Sunderland.

MITCHELL, LINDEN EWART, City Treasurer and Controller's Office, City Hall, Cardiff.

MORGAN, CHARLES WILLIAM, Clerk to A. E. Wood (Thompson & Wood), 22, Broad Street, Hereford.

MORLEY, HENRY ALBERT, Clerk to Stanley Blythen (Stanley Blythen & Co.), 12, Low Pavement, Nottingham.

MORREY, ALICK, Clerk to Bourner, Bullock & Co., 17, Albion Street, Hanley, Stoke-on-Trent.

MOSS, THOMAS ARTHUR, Borough Treasurer's Office, Town Hall, Preston, Lancs.

MOUNTAIN, WILLIAM ANTHONY, Clerk to C. T. Jessap, Barlow Chambers, Skegness.

MOUNTER, ERNEST WALTER, Accountant's Department, Treasury Solicitor's Department, Storey's Gate, London, S.W.1.

NAYLOR, MAURICE, Clerk to John Potter (John Potter & Harrison), 22, Birley Street, Blackpool.

NEWSOME, GRAHAM HEATHCOTE, Clerk to T. Booth Brown, 63, Deansgate Arcade, Manchester.

OWEN, EWART LLOYD, Clerk to F. Kilby (Kilby & Fox), Drury Chambers, Market Square, Northampton.

PADGET, WILFRED JOSEPH, Clerk to Harry Davey, 1, Crown Court, Wakefield.

PICKERING, GEORGE ATKINSON, Clerk to J. H. Whyte, Victoria Buildings, 21, Grainger Street West, Newcastle-on-Tyne.

PICOT, DONALD EWART, Clerk to Alex. E. Picot (Alex. E. Picot & Co.), 26, Hill Street, Jersey, C.I.

PLEWS, PHILIP HENRY, Clerk to E. Furnival Jones (Allan, Charlesworth & Co.), 4, Fenchurch Avenue, London, E.C.3.

POTE, CYRIL, Clerk to Watson & Tebbet, 10, Peacock Lane, Leicester.

PRESCOTT, WILLIAM BOWEN WEBB, Clerk to J. H. Barton (Cooper & Kenny), 34, Dame Street, Dublin.

RANDLE, GILES NOAL, Clerk to A. J. Ingram (A. J. Ingram & Co.), Central Buildings, West Sunniside, Sunderland.

REID, HIRAM, Borough Treasurer's Department, Municipal Buildings, Middlesbrough.

RENDALL, CHARLES, Clerk to Creasey, Son & Wickenden, 12, Lonsdale Gardens, Mount Pleasant, Tunbridge Wells.

RHODES, GEORGE THOMAS, Borough Treasurer's Office, Town Hall, Widnes.

RILEY, WILLIAM, Clerk to H. J. Davidson (H. J. Davidson & Co.), 33, King Street, Manchester.

ROLLINSON, FRED, Clerk to Pulleyn, Creer & Co., 8, Coppergate, York.

SALISBURY, GARETH COCKSHOTT, Clerk to Cassleton Elliott & Co., 4 and 6, Throgmorton Avenue, London, E.C.2.

SIDDLE, EDWARD ROWLAND, Clerk to Albert Goodman, Sons, Pollard & Braybrooks, 3, Hammet Street, Taunton.

SIDEBOTTOM, ERNEST ARTHUR, Clerk to E. V. Williamson (E. V. Williamson & Co.), Greek Street Chambers, Greek Street, Leeds.

SINCLAIR, CHARLES MCDONALD, Clerk to Peat, Marwick, Mitchell & Co., Guildhall, Newcastle-on-Tyne.

SLUGGETT, GEORGE ALBERT, Clerk to C. S. Moores, 15, Bedford Circus, Exeter.

SMALLBONE, LIONEL HUGH, Clerk to Perkins, Copeland & Co., Bolton Chambers, Eastbourne.

SMITH, JOHN NAPIER, City Treasurer and Controller's Office, City Hall, Cardiff.

SMITH, LEONARD, Deputy Accountant, Urban District of Finchley, Council Offices, Church End, Finchley, London, N.3.

SMITH, STANLEY, Clerk to Armitage & Norton, Martins Bank Chambers, Bradford.

FINAL—(*Continued*).

STOTT, JACK RANDALL, Clerk to G. A. Marriott (Geo. A. Marriott, Rogerson & Co.), York House, 12, York Street, Manchester.

STREET, HAROLD, Borough Treasurer's Department, Town Hall, Wolverhampton.

TEED, DENIS THEODORE, formerly Clerk to Darr, Rickard & Co., 25, Finsbury Square, London, E.C.2.

THOMPSON, WILLIAM DANIEL, Clerk to John Rowley & Co., 10, Market Street, Leicester.

TOMLINSON, HAROLD, Clerk to Harper, Pilling & Co., 25, Acresfield, Bolton.

TOMLINSON, WILLIAM SPENCER, Clerk to F. Geen & Co., Victoria Chambers, Liverpool Road, Stoke-on-Trent.

TOVELL, WALTER GEORGE, Clerk to D. L. Sellers, 27, Portland Street, Southampton.

TREVELYAN, PERCY, Clerk to Armitage & Norton, Atlas Chambers, King Street, Leeds.

TRIFFITT, WILLIAM LAWRENCE, Clerk to Sir Charles H. Wilson & Co., 7, Greek Street, Leeds.

TRILL, LESLIE RICHARD, Clerk to T. H. Nicholson (Saffery, Sons & Co.), 200, Gresham House, Old Broad Street, London, E.C.2.

VICKERS, KENNETH GRAHAM, Clerk to H. J. Bicker (Edward Bicker & Son), Exchange Buildings, Upper Hinton Road, Bournemouth.

WALKEM, STEPHEN HENRY, Clerk to T. A. Spittle, 184, Old Christchurch Road, Bournemouth.

WARD, GEORGE, Clerk to Nathaniel Duxbury (Nathaniel Duxbury, Son & Co.), 27, Richmond Terrace, Blackburn.

WATSON, THOMAS, Accountant's Department, County Council of Durham, Shire Hall, Durham.

WEEKS, HENRY JAMES, Clerk to F. Woolley (Woolley & Waldron), Blue Peter House, 8-10, Portland Terrace, Southampton.

WELCH, SIDNEY FRANCIS, Clerk to A. C. Roberts, Wright & Co., 9-10, Pancras Lane, Queen Street, London, E.C.4.

WELLS, HARRY, Clerk to Butterfield & Hartman, City Chambers, 2, Darley Street, Bradford.

WHITAKER, HERBERT VINCENT, Clerk to T. Harold Platts (T. Harold Platts & Co.), 126, Colmore Row, Birmingham.

WHITELEY, ARTHUR JAMES, Clerk to Alfred Nixon, Son & Turner, 31, 35 and 48, Victoria Buildings, St. Mary's Gate, Manchester.

WILLIAMS, WILLIAM GLYNN, Clerk to Harmood Banner & Son, 24, North John Street, Liverpool.

WILSON, THOMAS GRIFFITHS, Clerk to Frank Pell (Henry Pell & Co.), 63A, Princes Street, Stockport.

WILSON, WILLIAM STANLEY, Clerk to Thoseby, Son & Co., District Bank Chambers, Market Street, Bradford.

WOOD, ARTHUR DANVERS, Clerk to F. W. Buzzacott (Buzzacott, Lillywhite & Co.), 16-17, King Street, London, E.C.2.

WRIGHT, FREDERICK WALTER, Clerk to H. P. Gould & Son, 8, Upper King Street, Norwich.

YAXLEY, WILLIAM REGINALD, Clerk to Dyke & Ruscoe, The Old Mansion, St. Mary's Street, Shrewsbury.

SUMMARY :—

6	*Candidates awarded Honours.*
129	*Candidates passed.*
146	*Candidates failed.*
281	Total.

Passed in Intermediate.

Order of Merit.

LAMBERT, GEORGE, Clerk to Chipchase, Wood & Co., 125, Albert Road, Middlesbrough. (*First Place Certificate and First Prize.*)

DALAL, HOMI PESTONJI, formerly Clerk to K. J. Purohit (Batliboi & Purohit), Navsari Building, Fort, Bombay. (*Second Place Certificate.*)

LEAVER, BERTRAM RUSSELL, H.M. Inspector of Taxes, Ashton-under-Lyne District, 19, Salisbury Road, Chorlton-cum-Hardy, Manchester. (*Third Place Certificate.*)

HEWS, FREDERICK ROYAL, Clerk to Carpenter, Arnold & Turner, Midland Bank Chambers, North Street, Brighton. (*Fourth Place Certificate.*)

MORGAN, GEOFFREY, Clerk to Paton, Boyce & Welch, 3, Piccadilly, Bradford. (*Fifth Place Certificate.*)

Alphabetical Order.

ADAMS, CECIL GEORGE, Clerk to Allan, Charlesworth & Co., 4, Fenchurch Avenue, London, E.C.3.

ADAMS, GEORGE RONALD, Clerk to W. B. Dix (Kingscott, Dix & Co.), 1, Barton Street, Gloucester.

ANAND, OUDH NARAIN, B.A., Clerk to Walter E. Lambert (Page, Simpson, Fitzgerald & Lambert), 18, Charing Cross Road, London, W.C.2.

ANSELL, EMANUEL, Evelyn House, 62, Oxford Street, London, W.1, Practising Accountant.

ASHCROFT, GEORGE DENMAN, Clerk to Greenhalgh, Sharp & Co., 30, Brown Street, Manchester.

ASHCROFT, RICHARD, Clerk to James Hope, 25, Bolton Street, Bury.

BAILEY, FREDERICK ERNEST, Clerk to Cooper-Parry, Hall, Doughty & Co., 20 and 21, High Street, Burton-on-Trent.

BAKER, WILLIAM CECIL WEATHERBURN, Clerk to Stanley W. Marshall (Stanley W. Marshall & Co.), Mortimer Street, Herne Bay.

BALL, REGINALD AWDAS, Burton Chambers, 94A, Holton Road, Barry Dock, Glamorgan, Practising Accountant.

BALLINGER, LESLIE JOSEPH GARDNER, Clerk to Hays, Akers & Hays, 1, Queen Victoria Street, Mansion House, London, E.C.4.

BARBER, JOHN HEARFIELD, Clerk to Thomson, McLintock & Co., 57, King Street, Manchester.

BARKER, TOM WATSON, Clerk to J. B. Boyd, Wrigley & Co., 55, Brown Street, Manchester.

BARKER, WILLIAM JOHN, Clerk to P. C. Miall (Martin, Farlow & Co.), 34 and 36, Gresham Street, London, E.C.2.

BASS, NORMAN WILLIAM, Clerk to Hill, Vellacott & Bailey, Coates Buildings, Castle Street, Belfast.

BELL, HERBERT, Borough Treasurer's Office, Town Hall, Preston.

BIRLEY, EDWARD REGINALD, Clerk to James Gadsby (Samuel Edward Short & Co.), 17, Gluman Gate, Chesterfield.

BOARDMAN, ELIJAH MARSDEN, Borough Treasurer's Office, Municipal Buildings, Glossop.

BOYD, ERIC ARTHUR JESSE, Clerk to Jones, Son & Andrews, 87, Bishopsgate, London, E.C.2.

BRABIN, JOSEPH, Clerk to Harper, Pilling & Co., 25, Acresfield, Bolton.

BRIGGS, PERCY, Clerk to Arthur Greenwood, Old Borough Chambers, 20, Bond Street, Dewsbury.

BROWN, NORMAN EDWARD, Clerk to Morris Lodge, Borough Treasurer, Municipal Offices, Weymouth.

INTERMEDIATE—(*Continued*).

BURDEN, LESLIE ARTHUR, Clerk to W. M. Bayliss, Sons & Co., 16, Broad Street, Oxford.

BUTTLER, STANLEY MASON, City Treasurer's Office, Town Hall, Sheffield.

BUXTON, EDWARD, Clerk to A. Cropp Hawkins, Vale Chambers, 52, Liverpool Road, Stoke-on-Trent.

BYRNE, ALFRED JOHN, Clerk to H. G. Pugh (Garner, Pugh & Sinclair), Prudential Chambers, Oswestry.

BYRNE, ANDREW AUGUSTINE, Clerk to H. Rose (Philip E. Farr, Rose & Co.), 70A, Basinghall Street, London, E.C.2.

CHAUVEAU, ROBERT WILLIAM, Clerk to H. C. Howell (McEwan, Wallace, Howell & Co.), 56, Hamilton Square, Birkenhead.

CLAYTON, JAMES PERCIVAL, Clerk to W. J. Norfolk (Pike, Norfolk & Co.), 8, Colne Road, Clacton-on-Sea.

CLEMENTS, WILLIAM KENNETH WATSON, Clerk to G. W. Sparrow (Sparrow, Rawlings & Kelley), 56, Queen Street, Wolverhampton.

CLISSOLD, ALEXANDER DOUGLAS, Clerk to N. Alexander (J. F. Mallabar & Co.), 1, Regent Street, Waterloo Place, London, S.W.1.

COCKILL, NORMAN, Clerk to Haworth & Co., 4, Norfolk Street, Manchester.

COLLAR, EDGAR RALPH, Clerk to E. Clarke Williams, 65, Oxford Street, Whitstable.

COLLINSON, FRED, Clerk to W. S. Martin (Laverick, Walton & Co.), Midland Bank Chambers, St. Thomas Street, Sunderland.

COOPER, FRAMJI CAWASJI, B.A., formerly Clerk to Damania, Panday & Bajan, Navsari Building, Hornby Road, Fort, Bombay.

COSSINS, ALFRED EDWARD, Clerk to Barron & Barron, 1, Minster Gates, York.

COULTHURST, NORMAN, Clerk to J. E. Dale & Co., District Bank Chambers, Market Street, Huddersfield.

CRAGO, ALFRED NORMAN, Clerk to J. Rhodes (Rhodes, Stringer & Co.), 31, Manor Row, Bradford.

CRAMP, ARTHUR ERNEST, Clerk to Shirley March (Shirley March & Co.), Granby Chambers, Halford Street, Leicester.

CROSLAND, FREDERICK EWART, Clerk to F. C. Crosland (Fredk. C. Crosland & Co.), 10, Park Row, Leeds.

DAS GUPTA, PREMTOSH, B.Sc., Clerk to S. R. Batliboi, 3, Grant Lane, Calcutta.

DAS GUPTA, SUSHIL KUMAR, B.A., formerly Clerk to M. L. Tarmaster (Tarmaster & Co.), Temple Chambers, 6, Old Post Office Street, Calcutta.

DEWDNEY, DONALD WILLIAM, Clerk to Viney, Price & Goodyear, Empire House, St. Martin's-le-Grand, London, E.C.1.

DODDS, CHARLES, Depute County Clerk and Treasurer to the Council, Berwickshire County Council, Duns.

DUNKERLEY, JAMES ERIC BRIGGS, Clerk to Jones, Crewdson & Youatt, 7, Norfolk Street, Manchester.

DYKES, JOHN NEIL, Clerk to Wheawill & Sudworth, 35, Westgate, Huddersfield.

ELLIOTT, HERBERT, Ministry of Health, Audit Department, No. 3 Audit District, Whitehall, London, S.W.1.

ERRINGTON, THOMAS PHILLIPPO, Clerk to Stephenson, Smart & Co., Central Chambers, 1, Norfolk Street, King's Lynn, Norfolk.

EVANS, DOUGLAS JAMES, Clerk to Cecil Semper, National Bank Building, Fenwick Street, Liverpool.

EVELEIGH, PHILIP ALFRED, Clerk to C. E. C. Nicholls (C. E. C. Nicholls & Co.), Avenue House, The Avenue, Eastbourne.

FARRELL, PATRICK LEO, Clerk to F. R. O'Connor, 10, Westmoreland Street, Dublin.

FEUGILL, DUDLEY MARSHALL, Clerk to H. Lazenby (Sir Charles H. Wilson & Co.), 7, Greek Street, Leeds.

FERNS, HERBERT LOUIS, Clerk to Price, Waterhouse & Co., 47, Avenue de l'Opera, Paris (2).

FISK, WILLIAM ERNEST GYDE, Clerk to H. Tinker (Percy Pemberton & Co.), 32-34, Cookridge Street, Leeds.

FITT, VICTOR JOHN, Clerk to George Cobley & Co., 33, Henrietta Street, Covent Garden, London, W.C.2.

FLEMING, HARRY CHARLES, Clerk to F. Woolley (Woolley & Waldron), Blue Peter House, 8-10, Portland Terrace, Southampton.

GAUSDEN, CHARLES WILLIAM HARTFIELD, Borough Treasurer's Department, Town Hall, Eastbourne.

GILES, WILLIAM STAFFORD, Clerk to Sidney Dudbridge (S. J. Dudbridge & Sons), 8, Lansdown, Stroud, Glos.

GITTINS, THOMAS ARTHUR, Clerk to John Davies, 1, Bank Street, Wrexham.

GLENNERSTER, ALFRED CHARLES, Clerk to F. Phillips (F. Phillips & Co.), Bank Chambers, 329, High Holborn, London, W.C.1.

GREEN, EDMUND GEORGE, Clerk to Locking & Scott, Parliament Chambers, 5, Parliament Street, Hull.

GREENFIELD, JOSEPH ARTHUR, Clerk to Bell, Barton & Co., 46, Victoria Street, London, S.W.1.

GREENWOOD, EDWARD, Clerk to Edgar Oates & Co., 371-377, Corn Exchange Buildings, Manchester.

GREGORY, STANLEY BROCKTON, Clerk to Robinson, Coulson, Kirkby & Co., Alma Chambers, Scarborough.

GUPTA, MUNSHI LAL CHITARMAL, B.Com., M.A., formerly Clerk to N. J. Shah (Dalal & Shah), 70, Medows Street, Fort, Bombay.

HAMEED, MOHAMED ABDUL, B.A., 22, Mount Ephraim Road, Streatham, London, S.W.16 (formerly Articled Clerk).

HANSOTIA, LOVJI CAWASJI, B.Com., formerly Clerk to P. C. Hansotia, 41A, Bruce Street, Fort, Bombay.

HARDY, JAMES EDWARD, Clerk to W. Metcalf McKenzie (Metcalf McKenzie & Ingram), 32, West Sunniside, Sunderland.

HARRIS, ERIC WALTER, Clerk to F. Arthur Pitt & Co., 14, John Dalton Street, Manchester.

HARRIS, JOHN CHARLES, Clerk to W. M. Bayliss, Sons & Co., 21, Market Square, Aylesbury.

HARRIS, REGINALD WILLIAM, Clerk to J. T. Sandland (F. Geen & Co.), Victoria Chambers, Liverpool Road, Stoke-on-Trent.

HARRISON, ARTHUR CLIFFORD, Clerk to T. J. Groves, 14 Scarborough Street, West Hartlepool.

HAWKES, LESLIE THOMAS, Borough Treasurer's Department, Town Hall, Buxton.

HEALEY, NORMAN, Clerk to R. G. Rutter, Borough Treasurer, Town Hall, Batley, Yorks.

HEALY, RICHARD FRANCIS, Clerk to F. N. Kelly (W. A. Deevy & Co.), 29, Barronstrand Street, Waterford.

HIGGS, OLIVE MARGARET, Clerk to Miss M. M. Homersham (Homersham & Co.), 106, St. Clement's House, Clement's Lane, Lombard Street, London, E.C.4.

HOLMES, GEORGE WILLIAM, Clerk to C. F. Middleton & Co., 80A, Coleman Street, London, E.C.2.

HORSFALL, HARRY CLIFFORD, Clerk to Cassleton Elliott & Co., 4/6, Throgmorton Avenue, London, E.C.2.

HUCK, FRANCIS GRAHAM, Clerk to Hugh O. Johnson (Mundy, Brewer & Johnson), 3, Wood Street, Queen Square, Bath.

HUGHES, ALEXANDER GEORGE, Clerk to Harold E. Clarke & Co., 8, Newhall Street, Birmingham.

INTERMEDIATE—(*Continued*).

HUGHES, AUGUSTINE LEO, Clerk to E. J. Williams (E. J. Williams & Co.), 14, Lowther Street, Carlisle.

HUGHES, PERCY FREDERICK, Clerk to Henry Gee, Martin's Bank Chambers, Euston Road, Morecambe and Heysham.

JACKSON, JOHN EDWARD, Clerk to W. H. Stables, 24, Finkle Street, Kendal, Westmorland.

JACKSON, RONALD EWART, Clerk to White, Williams & Co., Imperial Chambers, 47, Frogmore Street, Abergavenny.

JACKSON, WILLIAM FERDINALD, Clerk to Ransom Harrison & Lewis, 9, 10, 11, Foster's Buildings, 22, High Street, Sheffield.

JAMES, DAVID WILLIAM JOSEPH, Clerk to A. E. J. Holland (Kempton, Holland & Co.), Tredegar Chambers, Newport, Mon.

JELFS, WALLACE VICTOR, Clerk to Percy R. Hackett, 36, Canon Street, Birmingham.

JOHNSON, ALMA, Clerk to G. F. H. Gardiner (F. C. Gardiner & Co.), Barclays Bank Chambers, Scarborough.

JOHNSON, JOHN CROOKE, 39, Park View, Wigan, formerly Clerk to R. W. Brown (Brown & Meadow), Wigan.

JONES, ARTHUR, Clerk to Louis Nicholas & Co., 19, Castle Street, Liverpool.

KAPADIA, FRAMROZE PESTONJI, formerly Clerk to E. J. Dastur (Sorab S. Engineer & Co.), Morarbhoy Buildings, 45, Apollo Street, Fort, Bombay.

KIGHTLEY, LEONARD, Clerk to Thomas Keens (Keens, Shay, Keens & Co.), 11, George Street West, Luton.

KILLICK, ROBERT HAROLD, Clerk to Stephenson, Smart & Co., Queens Chambers, Bargate, Boston, Lincs.

KIRBY, WILLIAM FRANK LESLIE, Clerk to John Unwin, Prudential Buildings, Foregate Street, Chester.

KNIGHT, FREDERICK GEORGE, Clerk to A. E. Turberville & Co., 20, Essex Street, Strand, London, W.C.2.

LAKE, RONALD STUART, Clerk to James Lake, Gower Chambers, Gower Street, Swansea.

LEDGER, JOHN EDWARD, Clerk to Tansley, Witt & Co., Old Serjeants Inn Chambers, 5, Chancery Lane, London, W.C.2.

LEES, EDWARD SEATON, Clerk to Bertram Greenland (Kidger, Greenland & Co.), Priory Buildings, Union Street, Oldham.

LINES, EDWARD JAMES, Clerk to Woolger, Hennell & Co., Moorfields Chambers, 165-167, Moorgate, London, E.C.2.

LONG, ERIC JAMES, Clerk to Hancock & Ashford, 57, Surrey Street, Sheffield.

LOW, ALAN LESLIE, Clerk to Gérard van de Linde & Son, 4, Fenchurch Avenue, London, E.C.3.

LUCK, EDMUND HENRY, Clerk to J. S. Mackenzie, Briantspuddle, near Dorchester, Dorset.

LYONS, JAMES GRANT, Clerk to Griffin Stone, Clark, Moscrop & Co., 60, Strand, London, W.C.2.

MARSH, ERNEST ALFRED, Clerk to J. Jackson Saint & Co., 22, Lowther Street, Carlisle.

MAY, RONALD NORMAN, Clerk to H. T. Millman (Thomas May & Co.), Allen House, Newarke Street, Leicester.

MEPHAM, CYRIL CHARLES, Clerk to Russell & Co., Gresham House, Sharia Suliman Pasha, Cairo, Egypt.

METCALFE, RICHARD, Clerk to Godfrey Craven (Forster & Craven), 42, Deansgate, Manchester.

MISTRI, MANEKSHAW PIROSHA, B.A., formerly Clerk to D. R. Paymaster (S. B. Billimoria & Co.), 16, Bharat Buildings, Lahore.

MORAN, FRANK WILLIAM, Clerk to C. Geoffrey Keys (Clement Keys & Son), 71, Temple Row, Birmingham.

MORRIS, ALEXANDER HENRY FRANCIS, Clerk to Peat, Marwick, Mitchell & Co., 11, Ironmonger Lane, London, E.C.2.

MURPHY, WILLIAM DANIEL, Clerk to R. M. Branson (Thomas May & Co.), Allen House, Newarke Street, Leicester.

MUSKETT, DONALD JAMES, Clerk to Playfoot & Co., Bank Chambers, 80A, High Street, Dorking.

NEILL, JAMES ALEXANDER, Clerk to Hill, Vellacott & Bailey, Coates Buildings, Castle Street, Belfast.

NORTHOVER, WILFRED HENRY, Clerk to A. H. Edwards (Edwards & Edwards), 22, High East Street, Dorchester, Dorset.

NUTTALL, HARRY, Clerk to Walton, Watts & Co., 41, Spring Gardens, Manchester.

PAYNTER, ALICE MARY, Clerk to S. Grave Morris (Spence, Paynter & Morris), 6, Wardrobe Place, Doctor's Commons, London, E.C.4.

PEARCE, MORLEY FRANCIS, 9, John Street, Bristol, Practising Accountant.

PEET, REGINALD OWEN, Clerk to R. B. Baggaley & Co., Commerce Chambers, Parliament Street, Nottingham.

PIPER, ARTHUR, Clerk to Ivor H. Slater (Bradley & Slater), 584, Christchurch Road, Boscombe, Bournemouth.

PITTS, HARRY, Clerk to A. P. Burton, National Provincial Bank Chambers, Keighley.

POOLE, PHILIP, Borough Treasurer's Department, Municipal Offices, Acton, London, W.3.

POTTER, ERNEST FRANK, Clerk to Alfred G. Deacon & Co., National Chambers, 4, Horsefair Street, Leicester.

PRITCHARD, HENRY MAURICE, Clerk to Osman W. Davies (Johnstone, Davies & Moulder), 13, Church Street, Kidderminster.

PULLEN, WILLIAM JOHN, Clerk to R. M. Simpson (Widdowson & Simpson), Capel House, 54, New Broad Street, London, E.C.2.

RAMSBOTTOM, RICHARD LUCAS, Clerk to E. R. Bradley (Bradley & Slater), 584, Christchurch Road, Boscombe, Bournemouth.

RAMSDEN, JACK WILLIAM, Clerk to Tansley, Witt & Co., Old Serjeants Inn Chambers, 5, Chancery Lane, London, W.C.2.

RIDSDALE, JOHN HERBERT, Clerk to John Gray (Percy Mason & Co.), 64, Gresham Street, London, E.C.2.

RIVERS, ALFRED PETER, Clerk to Dangerfield, Brewis & Mays-Smith, 56, Cannon Street, London, E.C.4.

ROBINS, WILLIAM THOMAS, Clerk to C. W. Stanley Temple (Clifford Towers, Woodruffe & Co.), 9-10, Pancras Lane, Queen Street, London, E.C.4.

ROGERS, PATRICK MERVYN, Clerk to Davie, Parsons & Co., 6, Bishopsgate, London, E.C.2.

ROGERS, RONALD WILLIAM, Clerk to Albert Loveridge, 29, Hoghton Street, Southport.

ROWE, RICHARD, Clerk to Joseph Affleck & Co., 72, Market Street, Manchester.

RYAN, HENRY COLIN, Clerk to R. C. Worthington, Union Bank Chambers, 2, Birley Street, Blackpool.

SAUNDERS, KENNETH, Borough Treasurer's Department, County Borough of Middlesbrough, Municipal Buildings, Middlesbrough.

SCOTT, ERIC GEORGE WILLIAM, Clerk to A. G. Howard, 5, Copthall Buildings, London, E.C.2.

SEDGWICK, GEORGE EDWARD, Clerk to Nasmith, Coutts & Co., 78, King Street, Manchester.

SEN GUPTA, BENOYENDRA PRASAD, B.Sc., Clerk to Fred P. Barnes (Pix & Barnes), 18, Coleman Street, London, E.C.2.

INTERMEDIATE—(*Continued*).

SHUTT, FREDERICK HOWARD, Clerk to W. L. Leech (Cooper-Parry, Hall, Doughty & Co.), 102, Friar Gate, Derby.

SIMONS, STANLEY JOSEPH, Clerk to Roland C. Larking (Larking & Larking), Orford Place, Norwich.

SLACK, ALFRED ARTHUR PERCY, Clerk to Percy E. Slack (Silversides, Slack & Barnsley), 44, Bedford Row, London, W.C.1.

SMITH, CHARLES AUSTEN, Clerk to Arthur E. Evershed (A. S. & A. E. Evershed), 49-50, High Street, Guildford, Surrey.

SMITH, GORDON, Clerk to F. J. Alban (Alban & Lamb), 11, Pembroke Terrace, Cardiff.

SMYTH, WALTER, Clerk to James Baird & Co., Imperial Buildings, High Street, Belfast.

SOUTHWORTH, JOHN, Clerk to W. H. Marsden (Porter, Matthews & Marsden), 43, Preston New Road, Blackburn.

SPELLER, HOWARD WALTER AUSTIN, Clerk to Gardiner, Hunter & Co., 40-41, Old Broad Street, London, E.C.2.

STEPHENSON, WILLIAM ANTHONY, Clerk to T. R. G. Rowland (W. T. Walton & Son), Scarborough Street, West Hartlepool.

SWEETING, ERNEST WALLACE, Clerk to Alan F. Kimpton (Kimpton, Holland & Co.), Tredegar Chambers, Newport, Mon.

SWINSTEAD, DEREK SIDNEY HILLYARD, Clerk to A. H. Edwards (Edwards & Edwards), 22, High East Street, Dorchester.

TANK, BENDIX BLADES, Clerk to A. S. Darr (Darr, Rickard & Co.), 25, Finsbury Square, London, E.C.2.

TAYLOR, KENNETH GEORGE, Clerk to Walter Holman (Holman, Foxcroft & Jackson), 11, Queen Victoria Street, London, E.C.4.

TEMPEST, JOHN STANLEY, Clerk to W. T. Walton & Son, 3, Scarborough Street, West Hartlepool.

THOMAS, SAMUEL HOWELL DAVIES, Clerk to P. E. Robathan (Jones, Robathan, Thompson & Co.), Imperial Buildings, Mount Stuart Square, Cardiff Docks.

THORNTON, JAMES, Clerk to Clarke, Clarkson & Howarth, 31, Castle Hill, Lancaster.

TIPLADY, PHILIP LAWRENCE, Clerk to E. S. Mead, East View, Otley.

TOMLIN, GEORGE FREDERICK, Clerk to L. F. Elverstone, Atlas House, Belvoir Road, Coalville, near Leicester.

TREMLETT, REGINALD LOUIS, Clerk to Haswell Bros., St. John's Chambers, Love Street, Chester.

TURNER, ERNEST CECIL SEYMOUR, Clerk to Maurice Thompson, 30, Mark Lane, London, E.C.3.

VERNON, SIDNEY, Clerk to Edward Andrews, 12, Abbey Square, Chester.

WAGSTAFF, LIONEL HERBERT, Clerk to W. R. Baskett (Bobart, Baskett & Co.), Gresham College, Basinghall Street, London, E.C.2.

WALKER, GEORGE RAYMOND, Clerk to W. Pearson (J. Pearson & Son), 5. Godwin Street, Bradford.

WALKER, HAROLD EDWARD, Clerk to Thomas May & Co., Allen House, Newarke Street, Leicester.

WALKER, MALCOLM DOUGLAS, Clerk to Thomas Eaves (Thomas Eaves & Co.), Adelphi Bank Chambers, 19, South John Street, Liverpool.

WALLER, CHRISTOPHER, 27, Fitzroy Square, London, W.1. Practising Accountant.

WARD, HAROLD LESLIE, Clerk to Wentworth Price, Gadsby & Co., 8, Windsor Place, Cardiff.

WATSON, ARNOLD CLARK, Clerk to W. T. Butterfield, 9, Market Street, Bradford.

WATSON, WALTER FREDERICK, Clerk to H. M. James (James & Co.), Turnbull's Chambers, 14, High Street, Coventry.

WELCH, GEORGE WILLIAM, Clerk to F. Rowland & Co., Finsbury Chambers, 76, Finsbury Pavement, London, E.C.2.

WENTZELL, ERIC WALTER, Clerk to Callingham, Brown & Co., 4-5, Bond Street, Walbrook, London, E.C.4.

WHALLEY, CHARLES ERNEST JOHN, Clerk to Charles R. Whitnall (Charles R. Whitnall & Son), 13-14, Adelphi Bank Chambers, 19, South John Street, Liverpool.

WHITE, WILLIAM FREDERICK, Borough Treasurer's Department, Municipal Offices, Southampton.

WHITFIELD, HUBERT RAWNSLEY, Clerk to Joseph Rhodes (Rhodes, Stringer & Co.), 31, Manor Row, Bradford, Yorks.

WILD, JOHN FLETCHER, Clerk to Bertram Greenland (Kidger, Greenland & Co.), Priory Buildings, Union Street, Oldham.

WILLIAMS, ENID NEST, Clerk to G. S. Ross (G. B. Williams & Ross), Old Bank Chambers, Market Square, Pontypridd.

WILLIAMS, HAROLD GRONWY, Clerk to William Sunderland (Lee & Mitchell), Craven Bank Chambers, Keighley.

WILSON, WILLIAM ERIC, Clerk to Smith & Garton, Westminster Chambers, 28, East Parade, Leeds.

WOOD, WILLIAM SPANTON, Clerk to W. H. Payne & Co., 8 and 9, Martin Lane, Cannon Street, London, E.C.4.

WOODCRAFT, ALAN HERBERT, Clerk to Hill, Vellacott & Co., Finsbury Circus House, Blomfield Street, London, E.C.2.

WOODS, THOMAS WILLIAM, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.

SUMMARY:—

5	*Candidates awarded Honours.*
177	*Candidates passed.*
202	*Candidates failed.*
384	Total.

Passed in Preliminary.

Order of Merit.

STODDARD, LESLIE FORD, 20, Doveleys Road, Pendleton, Manchester. (*First Place Certificate and Prize.*)

Alphabetical Order.

ADAMS, REGINALD WILLIAM, 10, Elder Avenue, Crouch End, London, N.8.

APPLETON, CHARLES FREDERICK, 34, Hale Street, Warrington.

BARBER, HORACE FREDERICK WILLIAM, 20, Corby Road, Mapperley, Nottingham.

BARNARD, WILLIAM ALFRED, "Springfield," Normount Avenue, Benwell Grove, Newcastle-upon-Tyne.

BAYLEY, HAROLD GEORGE, 36, Thurston Road, Anfield, Liverpool.

BENJAMIN, RUSSELL ERNEST, 19, Ashworth Road, Maida Vale, London, W.9.

BINKS, RONALD TREND, "Weardale," Grosvenor Gardens, Woodford Green, Essex.

BROOKS, LEONARD, 48, Corson Street, Great Lever, Bolton, Lancs.

BROOKSBANK, JOHN VINCENT, 8, Mabel Avenue, Worsley, near Manchester.

BROOM, JOHN EDWARD, The Croft, Furze Platt, Maidenhead, Berks.

BROWN, DOUGLAS LESLIE RALPH, "Lyndhurst," Weston Way, Weston Favell, Northampton.

PRELIMINARY—(*Continued*).

BROWN, GILBERT, Drill Hall, Ennersdale Road, Lewisham, London, S.E.13.

BULL, LEONARD EDMUND, "Glenlyn," Longcroft Road, Devizes, Wilts.

BURKETT, ALBERT HENRY, "The Dell," Furze Hill Road, Boreham Wood, Herts.

BURNET, WILLIAM HENRY, 11, Castle Street, Luton, Beds.

CAVEN, EDWARD ROBERT HENRY, 17, Ormiston Drive, Belfast.

CLARKE, DONALD HARRY, 415, Bordesley Green, Birmingham.

CULLEN, GERRARD, Post Office, Castlebellingham, Co. Louth.

DAFFARN, JOHN DENNIS, 39, Grand Avenue, Muswell Hill, London, N.10.

DOUGLAS, JOSEPH KENNETH, 241, Kensington, Liverpool.

DUBOIS, ROGER JOHN, 18, Bingham Road, Addiscombe, Croydon.

ELLIS, ANDREW WILLIAM, 17, The Terrace, Pleasley, near Mansfield, Notts.

ENGLISH, THOMAS, 37, Morley Street, Heaton, Newcastle-upon-Tyne.

EVANS, DAVID, 64, South Road, West Kirby, Cheshire.

FULLWOOD, NORMAN EDWARD, Dadesley Wells, Tickhill, near Rotherham.

GANT, FREDERICK WINSTON, 6, Tavistock Road, Romford Road, Stratford, London, E.15.

GILMORE, JOSEPH FREDERICK, 135, Field Road, Forest Gate, London, E.

HAGGER, JAMES EDWARD, c/o 46, Warwick Street, Middlesbrough.

HARDY, FRANCIS WALTER, 103, Princes Street, Mansfield.

HARMAN, MALCOLM CYRIL, 14, Hayes Crescent, Golders Green, London, N.W.11.

HORNEGOLD, STANLEY ROBERT EDWARD, "Powerscroft," 7, Oakfield Avenue, Kenton, Middlesex.

HUNTER, RICHARD DONKIN, 39, Stephenson Road, Heaton, Newcastle-upon-Tyne.

HYATT, FRANK CHARLES, 199, Murchison Road, Leyton, London, E.10.

JOHNSON, WILLIAM HARRY, 101, Brooklands Crescent, Fulwood, Sheffield.

KEEN, JOHN HOWARD, "Hayden," 42, High View, Wallsend-on-Tyne.

KING, KENNETH RICHARD, 23, Darley Street, Leicester.

LINDSAY, JOHN, 73, Arncliffe Gardens, West Hartlepool.

LITTLECHILD, THOMAS ARCHIBALD WALTER, 56, Huntingdon Road, Cambridge.

LUNT, JOHN WILLIAM, 339, Hawthorne Road, Bootle, Liverpool.

MCKENZIE, RONALD, 73, Bramshot Avenue, Charlton, London, S.E.7.

MALLINSON, WILFRED, 54, Broomfield Road, Marsh, Huddersfield.

MANN, NOEL ROBERT, 175, Waldegrave Road, Teddington, Middlesex.

MARSHALL, HENRY, 4, Campbell Street, South Shields, Co. Durham.

MARTIN, AUSTIN JOHN, 2, Carleton Terrace, Pontefract.

MARWICK, GEORGE EDWARD CORMACK, 213, Leith Walk, Edinburgh.

MEAKIN, SIDNEY FRANCIS, 3, Eccleston Road, Orrell Park, Liverpool.

MILLAR, DAVID DICKIE, Bowden View, Beanacre Road, Melksham, Wilts.

MURPHY, CHARLES DEVLIN, 1, St. John's Terrace, Mulgrave Road, Cork.

MYLES, GORDON, 33, Beech Avenue, Blackpool.

ODDY, GEORGE WILLIAM, 7, Park View Terrace, Halton, Leeds.

O'NEILL, HUGH PATRICK, 3, Kelso Terrace, St. Mary's Road, Dundalk.

PEET, ERNEST PEARSON, 61, Hampstead Road, Fairfield, Liverpool.

PENGELLEY, WILLIAM HENRY, 7, Edgerton Park Road, Exeter.

PHILP, JOHN ROBERTSON, 32, Bishop Road, Wallasey, Cheshire.

PLUNKETT, STANLEY PELHAM, Ballyroan Lodge, Rathfarnham, Co. Dublin.

PRATT, THOMAS ALAN, "Greenways," Braunstone Avenue, Leicester.

RICHARDSON, REGINALD, "Torbay," Park Avenue, Austhorpe, Halton, Leeds.

ROGERS, GEORGE HORACE, 9, Graham Villas, Sutton Common Road, Sutton.

RUSHFORTH, WILLIAM EDWARD, 6A, Clegg Street, Higher Ince, Wigan.

SARGENT, THEODORE, "Ridgway," Down Road, Portishead, Somerset.

SIMPSON, HERBERT WILLIAM, 96, Ryan Street, Bradford, Yorks.

STEAD, JACK, 416, Gibbet Street, Halifax.

STILES, HOWARD WILLIAM, 97, Glanmor Road, Uplands, Swansea.

TAYLOR, ALBERT, 16, Great Jones Street, West Gorton, Manchester.

TOOKE, HAROLD, Sale Lodge, Sale, Cheshire.

WALSH, ROBERT JAMES, 292, Stanley Road, Bootle, Lancs.

WATT, ERNEST RICHARD JAMES, 190, Clonliffe Road, Drumcondra, Dublin.

WELLS, WALTER THADDEUS, 23, New Road, Ham Common, Surrey.

WILSON, GEORGE, 88, Eshald Place, Woodlesford, near Leeds.

WINDER, WILLIAM JAMES, 31, Wellington Street, Preston, Lancs.

WOODROW, BASIL SYDNEY, 8, Sigismund Road, Norwich.

WOODS, SYDNEY, 72, East Wynford Street, Salford, Lancs.

SUMMARY:—

1	*Candidate awarded Honours.*
72	*Candidates passed.*
72	*Candidates failed.*
145	Total.

ENGLISH-SPEAKING ACCOUNTANTS IN PARIS.

The annual dinner of the English-speaking accountants in Paris was held at Hotel Continental on December 17th. The principal guests were Mr. H. L. H. Hill, President of the Institute of Chartered Accountants, and Mr. Henry Morgan, President of the Society of Incorporated Accountants and Auditors.

Public Economy.

AN Address delivered before the Incorporated Accountants' London and District Society by

Sir ERNEST BENN, Bart., C.B.E.

Mr. THOMAS KEENS, President of the Incorporated Accountants' London and District Society, occupied the chair.

The CHAIRMAN, in opening the proceedings, said: It needs no words from me to introduce to you Sir Ernest Benn, who is going to speak to us this evening on "Public Economy." A great many of you doubtless have read his book "Account Rendered," and you all know about those remarkable lunches which are held periodically under the auspices of the Individualist Book Club. I have very much pleasure in calling upon Sir Ernest Benn to address you.

Sir ERNEST BENN said: If you will refer to the papers which were circulated, you will see that I am advertised to lecture to you. I want straight away to disclaim any such intention. I can talk, or chat, or ruminate, even sometimes make a speech, but I should not presume to lecture to a learned and professional Society such as this. But I can picture, and I suggest, indeed, to you, a course of lectures on public economy which would be divided into three sections—elementary, intermediate, and advanced. The elementary section would try to get into the minds of the populace a few simple notions about money and finance, and their functions. I remember a good many years ago walking to the railway station with a child of mine, who put this problem to me: "Why do you bother to go to the City to make pennies when mother can go to the bank and get all she wants, and have a good time?" (Laughter.) Now that, Mr. President, represents as nearly as I can give you the sum of the knowledge of a great section of the public mind and a larger section of our politicians on this question of finance and economy. (Laughter.)

The intermediate course would deal with, shall I say, amateur economic mistakes—the patriotic gentleman who, to save money, discharges a footman and a couple of gardeners, the business man who ceases to advertise, or the public authority which makes a 10 or 20 per cent. cut in civil servants' salaries. Of course, I know something of that kind has to be done in periods of stress such as this, but take as an example of folly the all-round cut in civil service salaries, and the labelling of it "Economy." You can sum the civil service up in this simple way. Visualise four men, all of them good fellows, all of them working fairly hard, all of them only moderately paid, one of them performing vital necessary functions essential to the well-being of the State; the others doing things which are either merely useless, simply silly, or positively dangerous, getting in people's way and blocking up enterprise. Now, real economy would sack three and double the salary of the fourth, and thus proceed to a more sensible state of affairs.

Then come to your more advanced course, which would begin to deal with the great problems of wealth, public finance, and the Governmental management of finance. That last subject would divide itself naturally into two divisions—external Government finance, and internal public finance—and it is about the last section that I propose to trouble you in what I have to say to-night.

Perhaps you will allow me to interpolate a word or two about external Government finance. This great trouble that has settled upon the world, summed up in the words "reparations and inter-Governmental debts" has occupied International Conferences for thirteen years. It was comparatively harmless when Mr. Lloyd George talked of 250,000 millions—which was the first figure, you will remember, mentioned in Paris—because everybody took it then for the stupidity which it was and is. It is getting more dangerous as these interminable Conferences slowly whittle it down into figures which may be manageable, and therefore dangerous and disturbing. See what these statesmen and politicians have done with thirteen years crawling round Europe from one Conference to another, consulting everybody as to what we ought to do. See what the results at the moment are. Germany, the greatest exporting nation in the world, having surpassed both us and the United States (and by what many politicians tell us, therefore the most happy and most wealthy place in the world), on the edge, as you know, of a crisis graver than any that has gone before. France, to whom we lent no less than 800 millions which have ceased to be a subject of discussion, appears at this moment as our benevolent creditor for 80 millions, saving us at a period of crisis when our pound was in danger.

These two big facts seem to me to demonstrate sufficiently this simple point: the grave danger of allowing Governments and politicians to dabble about in money. Meantime, every pound, every dollar, every franc, or every mark which you and I want for some serious, honest business purpose, is in competition with all this spurious political currency which never had anything behind it, and never will have anything behind it, and will continue to complicate and damage the affairs of the world as long as it remains on paper.

Now, sir, on that the world is crying out for leadership. This country is the natural leader of the world—a fact which in recent years we have tended to forget. We made a settlement of the American debt; in my judgment, it was a good settlement at the time, in view of the circumstances then prevailing. It helped to calm and settle the world. We have passed on since then, and we know the folly of inter-Governmental indebtedness, and I suggest that the time has arrived when, in the spirit of the Balfour Note, and in view of the historic lead given by Mr. Hoover with a moratorium, which no one in a responsible position in America knows to mean anything but the first step towards cancellation—I suggest that this country might say, "We will away with all the folly of Peace Treaty finance; we will take no more, and we will pay no more." Make a frank recognition of fault, a recognition of wrong, and, if you like, a default in sham and fraud.

Now so much for external Governmental finance. I turn from that to the subject that I want to direct your particular attention to this evening—public finance at home. You will naturally in this Society and in this hall start by getting the thing into proper perspective. Your minds will go back to the nineteenth century, when our politicians pushed up the public budget, the expenditure of money through the public purse, from a matter of five millions a year to 100 millions a year. You will remember that Mr. Gladstone regarded 97 millions as rather exceeding the limit of reason and good. In the nineteenth century—the century in which all the wealth was made which, as I submit, we have since been busy in squandering—a century which created our trade, made us the wealthiest country in the world—the nineteenth century established here a standard of life with all its faults higher than had ever been known before, or in any other place, which made us the world's bankers, enabled us to finance the world, and put us in a position to stand by the world when that great catastrophe of war came.

Then you pass to the twentieth century. In thirty

years we have put 24,000 millions into the State budget alone. In the thirteen years since the War, if you add to the national budget all the local budgets, all the borrowings, all the obligations we have undertaken—in thirteen years 22,000 millions have been poured into the public purse. And at the end of it all it is out of the question that we could finance anybody, and we thank heaven for the loan of a few millions from France and America to save our pound. It is rather a striking contrast! But the only point I want to make on that is this: that this mania for spending money through the public purse is quite new. It is a useful point to use with the man who is apathetic—the decent middle-class fellow who says, "Oh, the money has got to be found, so we may as well write a cheque and get on with it." The fact is that within the living memory of everyone here, nobody could conceive it possible that the money could be found, let alone that it had to be found, and the whole situation as we see it to-day is something which we have ourselves invented and put into being, and which the future may decide is as bad, as rotten, and as dangerous as I myself believe it to be.

Now about public finance. Take the two words. What sort of a picture do they bring to your mind? Is it not this: Thousands of millions of money without a shred of personal responsibility behind a single shilling? It may be good, it may be necessary, but we must recognise that inherent weakness—the absence of personal responsibility. No one here is under any misapprehension as to what would happen to our own individual businesses if we were enabled to carry on until the end of the year, and then, instead of sending out invoices, simply delivered rate-notes to our customers. Well, that is an inherent weakness which it is well to bear in mind. Look how it works. I do not propose to bother you with many figures, but excluding altogether contentious questions like social services, defence forces, &c., I will take a few figures from the Statistical Abstract. There is a useful table there which divides public expenditure into ten or twelve heads. I take the central Government. In 1913, £800,000; in 1929, £2,000,000, or 2½ times as much. Then I take the group of offices known as the Home Department. In 1913, £2,000,000; in 1929, £12,000,000, or six times as much. Then Trade and Industry; in 1913, £1,200,000; in 1929, £9,000,000, or 7½ times as much. There you have three sections which functioned for £4,000,000, now £23,000,000.

If you want to get a still better perspective, I recommend you to go from the same table back to the beginning of the century. In 1901 the Department of Agriculture performed its necessary work for the modest sum of £96,000. I do not gather from what I read in the papers—I know nothing about it—I do not gather that agriculture is exactly on the top of the basket at the moment, but the Department costs us £2,455,000. The Board of Trade, with all its subsidiaries, functioned in 1901 for £197,000; it now costs £9,145,000. So the two Departments set up to make trade prosperous in thirty years have multiplied their costs fifty times, and you will notice that at the moment we are running a neck and neck race to see whether the costs of the Board of Trade will not exceed the total of the trade itself. (Laughter.)

Well, there you have a contrast. The Victorians left us with 5 per cent. of our total national income in the public purse, or 19s. out of every sovereign at the personal disposition of the citizens of this realm. Mr. Snowden—Viscount Snowden now—on the wireless a few nights ago put the budget at a third of the total national income. If you add local budgets and all those borrowings which these people always forget, and you make any reasonable estimate of the national income at this moment, I do not question the statement that at least half of our total resources goes into the public purse.

Turning from income to capital account, you will remember that Sir Josiah Stamp, as President of the Royal Statistical Society, told us a year ago that we are worth £18,000 millions as a going concern. You may also remember that I ventured on an estimate of our liabilities in the book in which the President has referred, and I calculated that we owe £22,000 millions. So the position at the moment is that we have socialised or nationalised ourselves to the extent of parting with half our income and mortgaging the whole of our property.

One last figure which may interest you—the relation of exports to taxation. We are told, and, of course, we know, that we only live—45 millions of us—on this little island by our ability to export to pay for our food. In 1901 our total public expenditure was 20 per cent. of our export trade; this year, Mr. President, will show, if the remaining month follows the course of previous months, that our export trade is half our public expenditure—half our budget. It therefore comes to this, that if we took every ounce of everything we make for export to pay for our food, and dumped it into Treasury Chambers, the Chancellor of the Exchequer would only have 10s. in the £ towards his budget.

Now that is a situation which gives, as you will see, ample food for thought, and there are a few observations upon it with which I will, if you will allow me, burden you. Think of the destruction of wealth, and the destruction of wealth producing agencies for which we of this generation have been responsible. We talk about unemployment. We have 3,000,000 unemployed, and we do all sorts of funny things to cure that evil. Have you ever heard a politician in connection with unemployment mention the word "employer"? Are you aware that the census tells us that there are 600,000 employers in this country? Does it not strike you as peculiar that we go on doing all sorts of extraordinary things over the head of the 600,000 men who ought to know something about this problem? If you get anywhere West of this hall, to Whitehall and Westminster, these 600,000 people are frankly, definitely and only taxation fodder. That is the only interest that they appear to have for Westminster.

Take this striking illustration which will appeal, I know, to Incorporated Accountants—wealthy, professional people. (Laughter.) Supposing I go to one of the leaders of your profession and ask for some service which is worth £1,000 as a fee. Do you realise that I am offering that man £4 a year, because that is the position we have reached. He takes his £1,000, pays income tax and sur tax, and invests the balance, £450, at 4 per cent. His £18 interest, less the same taxes, gives him £8 net, and when he dies half of it is taken away and only £4 per annum remains. (Laughter.) I am discussing in all seriousness the destruction of wealth producing agencies. Is it clear to you, or have some of you not bothered to examine the matter, that 25 per cent. of the Budget which we are now hoping to balance is, on the face of it, capital? Twenty-five per cent. of it, without any doubt, is capital taken straight into the current account and spent as income. Death duties, dollar reserves, and things of that kind are obviously capital, but the taxation of company reserves—the most useful and valuable form of capital—at the very moment when it is going definitely into reproductive industry, is snatched away and put into the current account of the nation to pay for current expenditure.

There is, in my judgment, no greater crime than the spending of capital as income. No man or woman is under

any misapprehension as to the gravity of that proceeding, and yet as a nation we are doing it to the tune of hundreds of millions per annum. I am not discussing the ownership of capital. There may be a case—though I doubt it—for taking private capital and turning it into public capital. But as a nation, as a self-respecting body of persons, do recognise that it is capital, and that you have got to use it for capital purposes to pay off debt, or for reproduction. (Hear, hear.)

But there is a more serious side to this question, and that is only now beginning to be discussed. We have, as I believe, squandered the inheritance of the past, but we are doing even worse than that: we are imposing the dead hand upon the future. It has been asked, "What has posterity done for us?" and it has remained for us to answer, "We have put posterity's name on to bills which we ought to pay, and posterity will find out and, we hope, pay as we desire."

If you will study the development of economic society during the eighteenth and nineteenth centuries, I think you will find this to be true: that each generation received something from the past, cared for it and improved upon it, added to it, and passed something better on to the future. That is the way in which the standard of life and comfort and the wealth of this country has gradually gone up. It has remained for us to squander the past, and mortgage the future to make, as I think, no contribution to economic development, and to tie hand and foot future generations to pay for our ideas.

May I try to make that a little clearer? A class of politicians is very fond of talking of the "public credit"—a rather new device that some of these people have discovered. Now, what do those words mean? What do they amount to? Put into the simplest form, Mr. President, does it not mean just this: You lend me an overcoat and I will promise you that my grandchild shall pay to your grandchild an overcoat and a hat. That, I submit, is a practical definition of this term "public credit." See what we have done in the matter of housing. Seventy-five per cent. of all the houses standing in this land to-day were built between 1850 and 1900, and nobody owes a penny in respect of any of them. Most of them will be standing, good and strong, long after the gimcrack, breeze-block present erections have crumbled into dust; when the 60 years' loan which we have raised for that fad of ours will be coming home to roost for our children to pay.

If you examine, as I was examining the other night, listening to Sir Philip Henriques, the budget of a county like Surrey; if nothing more is done for the next twenty years, no new service undertaken, our wonderful roads and sanatoria, &c., maintained, the interest on our debt paid, there is practically no prospect of any abatement in the demands upon the ratepayers.

My point is this. If you and I have some notion of public service that ought to be provided, we are perfectly entitled to entertain that notion, but we have the obligation to pay for it. We are not entitled to impose our notions and leave our children to pay for them, and thus handicap those who may develop totally different notions.

I had the privilege a few weeks ago of distributing the prizes at one of those wonderful secondary schools of which we are so proud. Unlike the Victorians, who brought me up in the fear of the bogey man and the policeman, we, Mr. President, do understand how to treat children—or that is our affectation. It has been reserved for this generation to have all the wisdom on child-life and the care of the young. I stood in front of some hundreds of bright young faces, and this horrid thought came into my mind as I was trying to speak to them. I was in a wonderfully beautiful building with galleries and mosaics all around—a real palace that had cost £48,000—a delightful place for these youngsters to be in. Everybody associated with the job, from the boy who brought the beer to the bricklayer's labourer right up to the headmaster, had taken out of it three times as much as a few years ago was thought to be appropriate. The building—not one penny paid. Most of the people associated with it had provided themselves with comfortable pensions for these same kiddies to pay. The thought dawned upon me: some of us who received our education at the hands of pious benefactors of the past have lived long enough to wonder whether it was worth the money. What do you imagine will be the reflections of these little kiddies when, later in life, they discover that they have been committed to all sorts of new fangled things which you and I thought proper, and have been left with the bill to foot when they are old enough to earn the money to do it.

An excellent illustration of the way in which we pass on obligations to the future is to be found in this pension degradation. Pensions are fashionable. We must provide pensions for everybody. I put this to you. If I am an economic unit, if I am paying my way, if I am worth my salt, then I must myself provide for my pension out of the value of the work I contribute while I am able to work. If I do that, I am entitled to a pension. If you examine much of this pension mania from that point of view you will see that we are engaged in taking more than the job is worth, while we are doing it, and providing for a pension which amounts in fact to a division of the income of our children in advance.

Those are one or two scrappy reflections upon this great question of public finance. As you will realise, it is impossible to deal with it adequately within the limits of a single lecture, but it is a question which is coming into public favour, and into public notice, and about which the public is beginning to inquire and to take an interest. We have been for fifty years under the influence of the Fabian Society. It is fifty years since that institution first saw the light, and now the pendulum is beginning—just beginning—to swing in the opposite direction. You have had fifty years of criticism of what is called the capitalist system. I think you will have the next fifty years in which the public discussion will be founded upon criticism of public finance, and the pendulum will go in that other direction.

My proposition, in a sentence, is this: That the worst possible place for money is the public purse. You will notice, indeed, that when money gets into the public purse, it positively changes its character. I give you this curious comparison that may interest you: private capital is that part of the income of the past which has been saved; public capital is that part of the income of the future which can be mortgaged. From which it follows that the more private capital, the cheaper it becomes, and the more public capital the more expensive it gets.

Now, Mr. President, perhaps I have given you enough to provide a basis for that discussion which I see is on the programme. May I in conclusion express the hope that some of you will take part in the economy campaign which the Friends of Economy have now been waging for nearly a year, and help us to urge the advisability of getting back to a happy state of affairs, something nearer to the Victorian times—when the banker banks, and does not pretend to do anything else, when the economist goes back to his cloister and recognises that his function is rather that of a historian than a prophet, and when the politician

resumes his proper function and sees what he can do to find us here and there an odd bit of liberty. (Applause.)

Discussion.

Mr. D. M. MASON, M.P. : Sir Ernest Benn, in his excellent address, was very severe upon politicians. I happen to be a politician, and I can assure him that while possibly his strictures were deserved, there are still some of us in the House of Commons who are fighting for the very cause in fighting for which he has so distinguished himself—namely, that of public economy. I would like to pay my tribute to what he has done in that direction, and to assure him that every effort he makes outside will be supported by some of us inside the House of Commons. He made some reference to the question of reparations, and the possibility of an altered attitude of mind on the part of the United States of America. I have recently returned from a visit to Canada and the United States, and I can confirm all Sir Ernest Benn said in that connection. I was there in a purely unofficial capacity, but I had an opportunity of meeting some of the most distinguished bankers in the country, who have all along been much more disposed to either cancelling or having a conference for the purpose of cutting down the war debts and reparations. I think I may say, as I had interviews with Congress men, that there is a great change of opinion coming over the United States with regard to this question. It may be—after all, the Americans are pretty 'cute people—that they are beginning to find out that this idea of drawing a large tribute from Europe is not altogether an unmixed blessing. They have a large unemployment problem—from 8,000,000 to 10,000,000—and I believe public opinion there has altered. They are rapidly coming round to the belief that if this question could be got rid of, it would improve trade. The Prime Minister here has said on many occasions that this Government has shown itself sympathetic to the suggestions made by Mr. Hoover, and I think you would find a change of opinion now in America on that question. Sir Ernest Benn spoke at length on the question of economy, with which his name is so honourably associated. I think it was Cicero who once said that economy is a great revenue, and retrenchment is a great revenue. Some people do not think so. They think it means cheese-paring, and that if you cut down expenditure it will be bad for trade. That is a very superficial view. Economy comes from a Greek word, and it means "wise expenditure and retrenchment," and I believe there is a great tendency towards retrenchment, not only in this country, but on the Continent, and certainly America will have to practise it, considering the large deficit she has to face. May I put the question to you, gentlemen, how is it that retrenchment will mean more revenue and greater prosperity? If I may just elaborate that, I would say it will come about in this way. If there is retrenchment—that is, avoidance of waste—and capital accumulates as a result, and you get a great increase of available capital all over the world, then cheap money is the result; that in its turn will pave the way, and you will get good Governments and well-balanced Budgets, and a state of affairs in which loans for the development of countries will be floated. Every loan floated in this country goes out of the country in goods or services. To-day I left the House of Commons because I thought I might find more useful employment here. We were engaged there in debating another of those many restrictions on trade to which Sir Ernest has alluded. I do not propose to say anything as to its merits or demerits, but I do say this, that those restrictions, those embargoes on loans on buying and selling in foreign countries—those interferences with the free flow of trade are, I believe, bound to retard rather than advance the recovery you desire. Let me give you an example. A South African company comes to London and borrows, perhaps, £2,000,000 or £3,000,000, as the case may be. The loan is successfully floated because, first, as a result of retrenchment, you have great accumulations of capital. The loanable capital is increased both here and in other parts of the world, which facilitates the easy floating of a loan. If that loan is floated it does not go, say, to the Argentine in the shape of money, it goes there in steel rails and equipment, &c. If we could return to the conditions obtaining under Mr. Gladstone's administration, conditions that were favourable for the development of countries, then I believe we would have got at the real secret of a return to the prosperity which we all desire.

Mr. R. K. CHAPPELL, K.C. : I want to take this opportunity of thanking the officials of your Society for giving me the opportunity of coming here and speaking on what is the most important topic of the present day, and of hearing Sir Ernest Benn. I have at least one point to make, and I am afraid Sir Ernest Benn and I may fall out upon it. It is not one of the most important points on this topic, but still I consider it has some degree of importance. I am going to argue by analogy. It is always said by lawyers that men who argue by analogy will get into a pitfall because no analogy is sufficiently complete, but I think this one is sufficiently complete. I would make an analogy between domestic and private economy on the one hand, and public economy on the other. Take a man in a comfortable position, a married man—when I say "comfortable position" I mean a man with an income of, say, £2,000 a year, with a decent house, keeping a car and chauffeur, and two gardeners and two maids—who has a couple of sons at a public school. A typical accountant, and a most untypical lawyer. (Laughter.) He is faced, let us say, with a considerable reduction in his income, and he has to make some cuts. He takes various items of expenditure in order to see where he can make cuts. He will very likely cut down his expenditure on clothing, and will probably make cuts more at his wife's expense than his own. (Laughter.) He may sell his car and discharge his chauffeur—that would be, from what Sir Ernest has said, a form of domestic economy which throws somebody out of work and on the resources of the State. In the same way he may discharge one of his maids, or a gardener. But the very last thing that he ever considers making a cut in is the education of his children. He will, if necessary, earn the title of a cheese-parer and a mean skinflint rather than in any way impair the future of his children by taking them away from their school and sending them to a school where the education is not so good. It is the same, I submit, with regard to public economy. We must, it is quite obvious, make many cuts here and there—sacrifices, cheese-parings—but the last thing we must economise on, the very last thing, is the public education of our children. These remarks of mine are not intended in any way as a plea for retaining the salaries of teachers at their present level. Each particular item of expenditure for public education must be looked at separately to see whether it justifies itself. What I am more particularly concerned with is this, that our saving policy shall not go so far as to cripple the education of children, particularly from the point of view of their hygiene. Sir Ernest Benn—and this is where we may quarrel—exemplified one of his points by an illustration which occurred to him—of children inside a fine building with beautiful mosaics in it. Mosaics may be necessary; I am not sure that they are not. In these days of stress and strain for all of us, I think many of us are beginning to find some consolation in life when we get away from the hard facts of finance and the treasury of money, and get into those avenues of life where beauty is to be found. Some find it in books, some in art, some in music. You may say that these are all soporifics and dopes, but for many that sort of thing is necessary, and I am not going to say it is unwise expenditure to put mosaics in a building for the children to see. Everything that will train the eye to appreciate beauty is good. In the same way, when we come to the question of public economy, we must consider hygiene. We must provide decent buildings for the children, and see that they are not huddled together, fifty or sixty in a room that should only hold thirty. All these things ought to be considered. Sir Ernest may say, "Well, there you are, I make a plea for economy and immediately somebody gets up and says, 'Gentlemen, stop this. Do not cut this, that, or the other thing.'" He says we are piling up an enormous

bill for the next generation to pay. Well, at least let us give them the education so that they may be possibly cleverer than we are, and devise some means of paying the bill.

Mr. E. CASSLETON ELLIOTT, F.S.A.A.: The other evening I was sitting quietly at home by the fireside with the wireless on, when I heard a voice which sounded very familiar. I hurriedly borrowed the evening paper, and I immediately found it was Sir Ernest Benn, and the words which caught my ear at once were these: "Economy is value." A gentleman on my left has said that economy is wise spending. I think that to Incorporated Accountants, these two expressions can quite easily be joined together for our benefit, and I hope for the benefit of the people with whom we live, and the country in which we live. The question for us is, what useful service can we, as Incorporated Accountants, do for the community? I knew it was a mistake asking Sir Ernest to come and lecture for us, because when he saw this hall and this magnificent building I felt certain he would call us "wealthy professional people." Now I personally am very anxious to disabuse his mind of that because of the possible consequences. I want to assure him that this magnificent building was built by an American at a cost of nearly two and a half times the amount we paid for it, so that, magnificent as it may seem, it is really an economical building for us to have bought. There are various ways in which I think Incorporated Accountants can help the community in which they live. It is not given to many of us to become Members of Parliament. We try—some successfully, some unsuccessfully—and without any suggestion at all I think the voters of a certain constituency have made a great mistake in not having as their Member the gentleman sitting in the chair to-night. (Applause.) But there are other ways in which we can help the public, and I think if any of you have read that little volume, "Account Rendered," you will find there a special chapter devoted to a rural district council. You will find there that the expenditure for that rural district council increased enormously over a comparatively short period, as years ago, and I feel certain that had there been an Incorporated Accountant on that council, the clerk and officials would never have dared to increase their expenditure in the way they had done. I find from the knowledge I have been able to gain that when there is a qualified accountant sitting on a district council or urban district council or a corporation, the permanent officials are always very chary of bringing forward demands for increased expenditure. One can always illustrate these points best by mentioning personal references, and so if this is something personal to members you will forgive me. In the small district in which I live there has recently been considerable outcry for a public hall and offices for the clerk of the council. Some of us think he is perfectly well housed at the present time, but the council, behind closed doors, entered into a contract to purchase some premises at what amounted, for a small community, to a substantial sum. One or two of us protested. When the Ministry of Health inquiry was made we protested on the grounds of economy and not spending public money unless it was absolutely needed. We also protested on the ground that the council had not allowed their discussion to be held in public—that they had not told the ratepayers at all what was happening, that they had done it all behind closed doors and then presented it to us as an accomplished fact. The result is that at the last meeting of the council they decided that they would in future hold the whole of their discussions in public, and we are hoping one of these days that they will have an Incorporated Accountant on that council to keep the permanent officials in order. Of course, we are not as wealthy as the Lecturer would have you suppose. We are poor, as a matter of fact. It is impossible for us to donate large sums to public institutions, but what we can donate, and I think it will be just as acceptable, is our services. Therefore, Sir Ernest, if you have done nothing else to-night beyond instilling into us the need for economy and following the suggestions that have been made, you have done us a great service.

Mr. H. G. WILLIAMS: Everyone is indebted to Sir Ernest Benn for his ceaseless campaign for economy, and I think he is entitled to all the support we can give him. But that does not mean that I agree with everything he has said to-night. I definitely disagree with him in regard to inter-allied debts and reparations. It is sheer economic nonsense to say it is a disadvantage to receive money from another country merely because the money passes through the hands of Governments. It is due to an entire misunderstanding of the processes of economic transfers. The logical sequence of our international payments is a tariff to make sure that we receive payment in the form that does not disturb our internal production. Nobody can suggest to-day that the sums now involved in inter-allied debts are large in relation to the total of international transactions. The general statement that war debts and reparations are a disturbing factor is economically sound and true. On political grounds there is something to be said for the statement that debts and reparations are a disturbing factor, but there is nothing to be said for it on financial grounds. If we have a complete wiping out of debts and reparations, this country will be £12,000,000 a year worse off. Mr. Chappell said we must tackle education. There are in the elementary schools of this country about 1,250,000 children between the ages of five and seven, and I defy any expert to tell us what advantage they obtain, except possibly the advantage of being in a safe place while their mothers are away and cannot look after them. There is a gigantic economy that we could effect, and have more money for the right kind of education that Mr. Chappell wants; in other words, we want to examine our expenditure in detail and find out where we can effect our economies. Sir Ernest told us—gibing at the politicians—that the cost of the Home Department services had gone up from £2,000,000 to £12,000,000. In pre-war days practically the whole of the cost of the police outside London and a large fraction of the police inside London was a local charge. As a result of the change in the value of money, the remuneration of policemen was increased, and practically the whole cost was made a national charge—about £7,000,000, as compared with a small pre-war national share. But if you want to find out what really has happened you have to take the total amount of the police expenditure borne by rates and taxes now and in pre-war days, and then you will not get a six to one ratio. He told us that the cost of the Trade and Industry departments had gone up from £200,000 to £9,000,000. Well, I was at the Board of Trade and I wondered where the £9,000,000 came in. He had previously been telling us about another item—Board of Agriculture—which was £8,765,000. This, however, includes the Sugar Beet subsidy, and the whole item was already included in the Trade and Industry group. I do beg of Sir Ernest to be more accurate in his statistics, because he is giving the enemies of economy the chance to come along and say, "What nonsense this is; it cannot be upheld." He knows I hold these views because I have written to him before. He has told us to-night that one-half of our total income is taken in rates and taxes. I have here an estimate of the taxes paid by the people of this country. In the aggregate the taxes are about 700 millions, and to that you have to add for local rates in round figures 170 millions. You have to add those two items together, making a total of 870 millions. Now, does anybody mean to suggest that the aggregate income of the people of this country is only twice 870 million pounds? In round figures it is at least four times that, if not more. It is fair to say that 25 per cent. of our income has been taken in rates and taxes, but it is not fair to say 50 per cent. I will tell you what the trouble is. It is all double entry book-keeping. (Laughter.) On page 8 of the financial statement I see this item—grants for local government services in Great Britain, £139,000,000. That is an item of national expenditure. When you look up the new local authorities you find that they have expended a lot of money; but you must not add their total to the national total, because the 139 millions appears in the local accounts as part of the

revenue. The Government does not spend a penny of that; it merely transfers it. To add the two amounts together is a form of double entry to which I object. (Laughter.) Now, what can we do to economise? Obviously, the proper way to effect economy is by what I call progressive economy. When you are spending too much you are spending too much on certain items. All this expenditure constitutes somebody else's income. All expenditure consists of payments to persons. None of it goes into thin air, except by depreciation, rust and decay. If you are employing people to render you certain services which you cannot afford, you must reduce gradually if you are to avoid creating unemployment. In other words, instead of dismissing people you ought not to fill vacancies. It is amazing the wastage there is in personnel—anything from 5 to 10 per cent. a year. A gigantic cut throwing people out of existing employment is false economy. It is quite obvious that the late Government ought to have carried through a great scheme of War Loan conversion, but they failed to do so. The people who failed then have now become our national heroes and we are debarred from saying what we think about them. Each 1 per cent. by which your Bank Rate goes up costs £6,000,000 a year in respect of the floating debt, as Treasury Bills are sold at a figure which is closely related to your Bank Rate. With the Bank Rate at the present time at 6 per cent., it is costing us perhaps £15,000,000 more this year than last. If we are going to carry through a great conversion scheme, then, obviously, we need a financial situation in which all gilt-edged securities will be standing at a premium. It is only economies that are going to make available large supplies of new capital, and all things become much easier when you have an ample supply of new capital. The real curse of extravagance is that it makes capital dear. What the working man wants is cheap capital, but public extravagance makes capital dear and therefore is the greatest enemy of the manual worker.

Mr. PLUMPTON: I did not come here to-night prepared to give a long talk, but I have taken a very great interest in this problem, and have looked at it from both sides, and I must say frankly I do not agree with Sir Ernest Benn. He has, however, in quite a number of points helped me a great deal in the views I have formed. I would suggest, if I may, that in studying this problem we should first of all study the working of a petrol engine. If you are extravagant with your oil you will have trouble, but you will get over it. If you economise with your oil and overdo it, you will smash your engine. Now, I would like to apply that to the ordinary finance of the country. Whatever you suggest in the way of economies, there will always be somebody who will turn round and say, "No, do not economise on that, but do so on something else." The only thing to do in that case is to go back to your "petrol engine," look to your reserves and supplies, and remember that now and then you have to change the oil.

Mr. FARMER: I did not intend speaking to-night, but I would like to say a word of criticism with regard to what Mr. Williams has said. He rather discouraged the remark that Sir Ernest Benn made as to the cancellation of reparations, and suggested that trade would not be improved if reparations were wiped out. As trade should go in this world—that is, by the movement of goods and manufactures, money being only the medium for settling balances—I suggest that there would be a considerable difference between wiping out all the reparations *in toto* and carrying them on. I believe the stumbling blocks that tariffs have put in the way, preventing reparations being paid in kind, and necessitating the moving and isolation of the medium of exchange, is one of the chief causes of the trouble the world is experiencing at the present time. We are getting down now in trade to absolute barter. I am personally interested in trying to move one class of goods into a country and another class of goods out of it, because the exchange is not there. The work is there, but we have not the medium of exchange. I suggest, seriously, that if these reparations were abolished or made payable in goods, the world would be better for it.

The CHAIRMAN: I am sorry I cannot ask any other speakers because, according to my instructions, this discussion has got to finish at a certain time, and I know you will want to hear Sir Ernest Benn's reply. I do not propose to make any remarks myself except to say that at any rate one public body has been content to have as the chairman of its finance committee since 1916 an Incorporated Accountant—I refer to the Bedfordshire County Council. I thought I was coming here to get some hints as to how I can get the county budget down. One serious trouble is that the finance committee are not in themselves a spending authority. They only have to find the money for the other spending committees. However, I will say this, that the county with which I am connected are certainly not laying up any very great burden for posterity. We are incurring no burdens of any particular size except in regard to small holdings. By the purchases of land which we have made we have become the largest landowners in the county, with a rent roll of many thousands a year. About 2,500 families are settled on the small holdings, and if that does mean a debt for the next forty years it will be a debt by which the county is getting richer. The only fault I have to find with it is that the charge per acre means a profit to the community which perhaps might have been allowed to the small holder. I do not pretend to say that we are making a profit under the 1918 settlement, because, as you know, what happened then was, as in everything else connected with local administration, the Government passed a Land Settlement Act and did not allow us to inquire whether a man had any previous knowledge of agriculture, or make any conditions as to his coming on a holding. They allowed us to ask two questions only: "Did you fight in the Great War?" and "Do you want land?" If a man returned an affirmative answer to those two questions he had to have a holding, although the Committee might know very well that he was not the type of man to make a success of it. Short of that, we have not made any very large loans, and we have not laid up a burden for posterity. We are paying our way, and frankly I do not see how the county rate is to be very much reduced unless we let our roads go down. We know that if we let the roads go down for five years, reconstruction work at the end of that period will be infinitely more expensive than keeping them up in the meantime. I will now call on Sir Ernest Benn to reply.

Sir ERNEST BENN: Mr. President, ladies and gentlemen; the Chairman did not tell you whether I am limited to seven or eight minutes. (Laughter.) There is just a point or two that I would like to make. My old friend, Mr. Mason, took me to task for the use of the word "politician." I do submit, Mr. Mason, that you did not listen to me as carefully as you should have done. You would have noticed how particular I was to stick to "politician." There are two classes in the part of the world from which you have just come. There are statesmen—those with whom I agree, like Mr. Mason—and politicians. I do hope that Mr. Mason is going in the near future to return to that great work for which we have been under such a debt to him in recent years connected with the Sound Currency Association, which is wanted to-day as badly as ever. Now with regard to Mr. Chappell. With all respect, Mr. Chappell, you know the real difficulties in this question. Everybody agrees with economy, *but* we have to keep our own favourite little hobby, and that must be left alone. Nobody could be more enthusiastic than I am as to the need for education, but do be honest with the question and acknowledge that in recent years if any crank had got on to this platform and said "Education," up would go all our hands, and we would be willing to spend any amount of money. Look at the cost. I have not the figures with me, but, no doubt, Mr. Williams has. I think

I am right in saying that the cost per place in an elementary school is three times what it was before the war. The bill is enormously increased, although there are fewer children than ever. And when you look into it, you find, like most of these public services, the thing has got under a huge mass of machinery which makes it frightfully difficult to do any education at all. There is no more dis-spirited class in the land than the people who are really doing the education. The education officer in some county borough is supposed to be educating the children in the borough; he has to submit every idea to the county officials. The county officials do no educating; they are mere automata in the hands of the big bugs at Whitehall. At Whitehall there are nineteen or twenty people with salaries of from £2,000 to £3,000 a year. A friend of mine wrote to me to say that in his county it was difficult to get any education done at all, because the children were so busy queueing up for the medical department to look for fancied diseases. Then Mr. Chappell, with the courage that only a lawyer could assume, talks about art. If I had time to cross-examine him I would probably find that he has a lot of ideas with which I might agree as to the relative merits of the Epstein or some other school. I do not object to that. If he thinks that all these children ought to have green walls instead of brown I agree, and would be willing to pay for it. But I ask you to consider what your feelings would be if you were faced at the present moment in Kensington with a 2d. rate to pay for the Albert Memorial, because that is what it amounts to. (Laughter.) Of course, my old friend Mr. H. G. Williams is more of a prophet. He illustrates better than any man I know this fundamental truth—scratch a Tory and you always find a Socialist. (Laughter.) He will not listen to me when I tell him that Socialism is the attempt to apply political force to economic circumstances. If his argument is, as I understand it, that a tariff is rather better than reparations—well, I am very happy indeed to find myself in complete agreement with him. I do not think very much of either. He talks about the Home Office. You know he really disappoints me; it is the answer every time you touch this question of economy. Go to the chairman of the finance committee of the Surrey County Council—£4,000,000 a year—and ask him what he can do about it. "Oh," he says, "78 per cent. of it is arranged by the Home Office, and other authorities, and we have no control over it; it is only the odd 22 per cent. that this Council is concerned with. Go to the Home Office." And Mr. Williams tells you that that is not fair at all, that the 600 per cent. increase here is entirely due to the Surrey County Council. You can see the thing very clearly if you will go through the exercise of reading your local county paper. I did so the other Sunday night, reading fourteen columns of reports of public authorities, parish councils, district councils, urban councils, and county councils. I analysed them, and I found that nineteen-twentieths of the work of those bodies is in receiving reports from other similar bodies, making recommendations and sending them back. It passes the wit of man to find anybody whom you can put on the carpet. There is none of the personal responsibility which makes for economy. When he taxed me about my one-half and called it a quarter, I would refer him to the late Chancellor of the Exchequer, and particularly to the broadcast speech which he made in exposition of his recent Budget. That is good enough authority for me, seeing that I think Mr. Snowden grossly under-estimated the proportion. Mr. Plumpton tells me, with an optimism I admire, that he has examined both sides of this question. All I can say to him is, when he has had time to look into the other fifty odd sides of it, then he will begin to know something about it. I do beg of you, in conclusion, to take away this thought: that the subject of our discussion to-night is quite new, and all this public expenditure has arisen within the last few years. We are not entitled in our conceited way to say that we, in distinction from all the generations that have gone before us, have at last found wisdom on these matters, and that spending so many thousands and millions in this particular way is the ultimate truth and perfect wisdom. I suggest to you, seeing how the world jogged along for some hundreds of years up to the death of Queen Victoria, that is not the case. There may have been some wisdom in the past, especially in view of the position in which those people left us, and the position in which we find ourselves to-day.

Mr. RICHARD A. WITTY (Vice-President of the London Society): I know you will all agree that Sir Ernest Benn is a very brave man. At previous meetings we have listened to politicians and economists, but I do not remember ever before listening to anybody who could stand up so bravely and attack both those classes, especially having regard to the fact that Sir Ernest probably knew that there would be both politicians and economists present to meet his arguments. At least, that is what I thought at the beginning of his lecture, but obviously he knew that it would only be statesmen, and not politicians. (Laughter.) In all seriousness, we have to realise this, that every word Sir Ernest Benn has uttered to-night is of vital importance, not only to us, but to every citizen of the British Commonwealth, whether we agree with the exact lines or take a medium line between Sir Ernest and Mr. Williams; and probably the best way in which you can show your appreciation of what Sir Ernest Benn has done to-night is for you all to become missionaries of his gospel of sanity in public finance. All you can do to-night is to show your appreciation of his lecture by acclamation, but before you do so, I will ask Mr. Baldry to second this vote of thanks.

Mr. EDWARD BALDRY, F.S.A.A.: It is quite obvious that this resolution needs no seconder, but none the less I am particularly happy to be the person appointed to second it. Sir Ernest Benn, I think, is the apostle of common sense, and since common sense is the foundation upon which the whole superstructure of accountancy is based, I think we have a great deal of sympathy with him. That being so, I second the vote of thanks most heartily.

The vote of thanks was carried with acclamation, and Sir Ernest Benn briefly returned thanks.

A vote of thanks to the Chairman, proposed by Mr. ALLEN, terminated the proceedings.

Incorporated Accountants' London and District Society.

Reception and Dance.

At Incorporated Accountants' Hall on December 10th an enjoyable reception and dance was given by the Incorporated Accountants' London and District Society, at which over two hundred members and guests were present.

The guests were received by Mr. Thomas Keens, President of the London and District Society, and Mrs. Keens. Amongst those present were the Mayor and Mayoress of Westminster, Mr. Henry Morgan, President of the Society of Incorporated Accountants and Auditors, and Mrs. Morgan, Sir Gilbert Garnsey, K.B.E., and Lady Garnsey, Mr. and Mrs. Edward Wilshaw, Dr. and Mrs. W. H. Coates, Col. and Mrs. William Parker, Mr. Richard A. Witty, Vice-President of the London and District Society, and Mrs. Witty.

Incorporated Accountants' Cumberland & Westmorland District Society.

The annual dinner of the Cumberland and Westmorland Society of Incorporated Accountants and Auditors was held in the Silver Grill on December 7th, when there was a large attendance presided over by Mr. EDMUND LUND, M.B.E., F.S.A.A., the City Treasurer. There were present the Mayor and four ex-Mayors, the President of the Carlisle Chamber of Commerce, representatives of the Institute of Chartered Accountants, prominent local bankers, and representatives of what the Chairman humorously described as the "stock and share industry," and members of the insurance companies and commercial houses and firms of the city.

Mr. W. N. DONALD proposed the toast of "The City of Carlisle," coupled with the name of the Mayor. The majority of them, he said, were citizens of Carlisle, and were all very proud of their city, and they had reason to be so. It was progressive in every way, and they did not suffer from the bad times that other towns had during times of depression.

The MAYOR, replying, said they all depended very largely upon the prosperity of Carlisle for their livelihood. He regarded it as a very great honour to represent Carlisle as Mayor, because the city occupied a very prominent place amongst the municipalities of the country. Although they had capital debts of something like £2,400,000, that represented productive capital. Their non-productive debt was under £350,000. Their rates had been reduced from 12s. 2d. in 1929 to 11s. 2d. in the present year, so that they were among the lowest rated boroughs in the kingdom.

"The Society of Incorporated Accountants and Auditors" was proposed by Mr. H. K. CAMPBELL, who said accountants now must have a particularly difficult time, because, where formerly they were on a fixed gold basis, they were now off it, and likely to be off it for many years to come. He did not think anyone expected them to go back to a gold basis until the Reparations question and the armaments questions were settled, because they could not imagine that great fund of American gold coming to this side of the Atlantic until the Middle West was satisfied on those questions. With firms whose business was concerned with other lands, where there were varying rates of exchanges, there was now considerably increased anxiety and difficulty and trouble for the accountants who took their work in hand. There was tremendous scope for accountants in the future, and there was a gradually growing requirement for young men.

Mr. ERNEST E. EDWARDS, Parliamentary Secretary to the Society, responding to the toast, said he was very glad to hear from the Mayor that in this age of particularly violent fluctuations, Carlisle was one of the few fortunate cities in the kingdom which enjoyed, by virtue of the diversity of its industries, a relative measure of stability. But he was told that in Carlisle they were not immune from the terrible evil of unemployment that had scourged the country during the last few years. He trusted that Carlisle would be one of those cities which would not confuse the real and true cause of economy with what he believed to be, at the present time, a prevailing danger of panic measures. He could conceive of nothing more dangerous at this moment than the cutting down of useful and necessary public expenditure on works of importance, because there must always be the choice of providing useful work for those who were anxious to perform it, and, on the other hand, maintaining those who would infinitely prefer that work to unemployment insurance. Since their last annual dinner there had been two events of the greatest importance to the profession of accountancy. One of those was for the moment a closed chapter—the question of Registration, which the Departmental Committee appointed by the Board of Trade had reported it did not consider desirable. Registration had been indefinitely postponed, and was not now a question of practical politics. Speaking quite personally, he was convinced that ultimately registration would be brought about by mere force of circumstances.

The second of the two great events to which he referred, so far from being past history, might well have reverberations and repercussions which would affect intimately every accountant in the land. The Kylsant Trial had raised issues of profound import both to the profession and to the commercial world. They had been the subject of discussion and speculation for months past, in private conversation, in the Press and in Parliament, and only last week the Government was asked by two Incorporated Accountants, acting on their own initiative, what action was contemplated in the direction of Company Law Reform. From the replies by the spokesman for the Board of Trade, it was clear that the Government was not disposed at the present time to take the first step to grapple with the problem. What should be the attitude of the Society towards the issues raised by the Kylsant Trial? No one could regard the existing state of affairs with satisfaction, and in his view the Society, as a body largely responsible for the guidance and enlightenment of the accountancy profession, could not consistently with its duty to its members and to the business community do otherwise than consider most carefully from every angle, in the light of recent happenings: (1) Whether changes in Company Law were desirable and practical; (2) whether any recommendation affecting the practice of auditors should be made to the members of the Society. They would probably have read in the current issue of the *Incorporated Accountants' Journal* that the Council had appointed a strong Committee of five to carry out that task—a difficult and laborious task. What their findings were likely to be it was idle to speculate, but they were fortunate in having on that Committee two of the recognised leaders of the profession, who had already played a conspicuous part in shaping the recent history of accountancy. He referred to Sir James Martin and Mr. Henry Morgan. They would remember that Sir James Martin was a member of the Greene Committee of 1926, on whose findings the Act of 1929 was based. His vast experience would be invaluable. Mr. Morgan was one of the two principal witnesses for the defence in the prosecution of the auditor of the Royal Mail Steam Packet Company. Moreover, every speech he had made during his term of Presidency had stamped him as a reformer imbued with a constructive vision and a sense of public obligation. Two or three weeks ago, in a speech delivered at Leeds, Mr. Morgan had left no doubt of the direction in which his mind was moving, when he dealt principally with the question of secret reserves as they affect balance sheets and profit and loss accounts. Although Mr. Morgan had been expressing his personal views, these views had been warmly applauded by public men, and by authoritative newspapers. Whatever might be the findings of the Committee which the Society had set up, they could be assured by its personnel that the issues would be carefully deliberated by those most competent to consider them, and to express an opinion.

The toast of "The Visitors" was proposed by Mr. E. LUND, and was replied to by Mr. BOYD, Mr. W. FISHER, Mr. C. CLARKE, and Mr. A. CREIGHTON.

Mr. A. D. SOULSBY proposed the health of the President, which was musically honoured.

District Societies of Incorporated Accountants.

CUMBERLAND AND WESTMORLAND.

Annual Report.

LECTURES.

The following lectures were arranged by the District Society during the year:—

"Local Authority Finance," by Mr. E. Lund, M.B.E., F.S.A.A.

"Death Duties," by Mr. C. A. Sales, LL.B., F.S.A.A.

"Office Organisation," by Mr. J. D. Imrie.

All the lectures were well attended. The thanks of the District Society are due to these gentlemen for so kindly contributing to the syllabus.

EXAMINATIONS.

Three students were successful at the Final examination of the Society, and two in the Intermediate. Our congratulations are extended to them.

BYE-LAW NO. 24.

The attention of candidates is again called to this Bye-Law. Members are asked to bring it to the notice of any of their staff who are preparing for the examinations.

NORTH STAFFORDSHIRE.

A well attended meeting of the North Staffordshire District Society was held at the Town Hall, Hanley, on Friday, November 27th, over 40 students and members being in attendance, with Mr. P. W. Rumble, A.S.A.A., of Leek, in the chair. A very interesting and instructive lecture was delivered by Mr. Alexander Scott, M.A., D.Sc., a technical consultant to the pottery industry, on "Hidden Losses in Pottery Manufacture." Dr. Scott went very closely into the matter of pottery costing, and his lecture will prove of great value to the student members of the profession. Dr. Scott was heartily thanked for his lecture, on the proposition of Mr. Donald H. Bates (President), seconded by Mr. M. P. Ferneyhough, and supported by Mr. J. Paterson Brodie (Hon. Secretary), on whose proposition it was further decided to have Dr. Scott's lecture printed and circulated.

SOUTH WALES AND MONMOUTHSHIRE.

(CARDIFF AND DISTRICT STUDENTS' SECTION.)

There was a good attendance of members at a meeting held at Cardiff on November 26th when the proceedings took the form of a debate on the subject "That Rationalisation is a temporary remedy where Socialism is the true cure." The chair was occupied by Mr. K. V. Stephens, A.S.A.A., and the leader for the affirmative was Mr. R. R. Davies. The negative side of the debate was opened by Mr. Ivor Davies, A.S.A.A., while Mr. J. T. Jones seconded for the affirmative and Mr. Noel Cliffe seconded for the negative. There was an animated discussion, and the motion was ultimately carried.

Incorporated Accountants' South Wales and Monmouthshire District Society.

(Cardiff and District Students' Section.)

ANNUAL DINNER.

The sixth annual dinner of the Cardiff and District Students' Section was held at Cardiff on December 2nd. Mr. K. V. STEPHENS, A.S.A.A., occupied the chair, and the gathering included Mr. F. J. Alban, F.S.A.A., and Miss Alban, Mr. V. F. Alban, A.S.A.A., Mr. John Allcock, F.S.A.A. (President of the District Society, City Treasurer and Controller, Cardiff) and Mrs. Allcock, Mr. A. Blackburn, A.S.A.A. (Chairman of Newport Students' Section), Mr. Ivor Davies, A.S.A.A. (past Chairman) and Mrs. Davies, Mr. Tudor Davies, J.P., F.S.A.A., and Mrs. Davies, Mr. J. Alun Evans (Hon. Secretary) and Mrs. Evans, Mr. Percy A. Hayes, F.S.A.A. (past Chairman) and Mrs. Hayes, Mr. H. C. Hopkin, A.S.A.A., Mr. Norman E. Lamb, F.S.A.A. (Vice-President of District Society), Mr. E. H. McGregor, A.S.A.A., Mr. T. R. Morris, F.S.A.A., Mr. L. J. Muller, A.S.A.A., Mr. E. V. C. Nicholls (Vice-Chairman), Mr. W. J. Pallot, F.S.A.A., Mr. E. Ewart Pearce, A.S.A.A. (past Chairman) and Mrs. Pearce, Mr. Guy Ross, F.S.A.A., Mr. J. D. Simpson, F.S.A.A. (Assistant Hon. Secretary of District Society) and Mrs. Simpson, Mr. Oliver J. Thomas, A.S.A.A., Mr. Percy H. Walker, F.S.A.A. (Hon. Secretary of District Society) and Mrs. Walker, and Mr. K. S. Williams (Librarian).

The CHAIRMAN, in submitting the toast of "The Incorporated Accountants' South Wales and Monmouthshire District Society," paid a tribute, which was received with acclamation, to the practical manner in which the President (Mr. John Allcock) had always shown his interest in the affairs of the Students' Section, and expressed the wish on behalf of the Students' Section that Mr. Allcock's pending retirement would be a long and very happy one. The Chairman dealt wittily with the life of an articled clerk and with the relations existing between principal and clerk. He said that after the articled clerk had crowned his career of glory by becoming a member of the Society, he would find that the District Society, and through it the Parent Society, had set up and maintained a standard of professional behaviour, and it would be obvious where the responsibility for the future maintenance of this standard would rest. Any society, any organisation or institution in itself meant very little. It was little more than a focussing point at which praise or blame for individual members could be directed. The reputation of a society was almost entirely made or marred by the reputation of the individuals of whom it was composed. To have an effective society the individual members must have a sense of responsibility as well as a sense of privilege, a sense of responsibility not only to the public—important and well realised though that was—but a sense of responsibility to their fellow members, and in the case of their own and similar societies towards those who were devoting five years in order to become members. The motto of their District Society was "The Red Dragon in the Lead," and the Chairman paid tribute to the way in which the Hon. Secretary (Mr. Percy H. Walker) and the representative on the Parent Council (Mr. R. Wilson Bartlett) had helped to make this motto one which could be endorsed without insincerity.

Mr. John Allcock, F.S.A.A., and Mr. Norman E. Lamb, F.S.A.A. (President and Vice-President of the District Society), responded to the toast.

Mr. ALLCOCK expressed thanks for the kind references to him, and spoke of the wonderful work being done by the South Wales Society. He mentioned that he was present at the birth of the Society in 1894, and that two pioneers of the movement, Mr. R. Wilson Bartlett, F.S.A.A., and Mr. W. J. Bennett, F.S.A.A., were members of the Society to-day. He also spoke of the debt the Society owed to its past Hon. Secretaries, Mr. A. W. Horton, F.S.A.A., and Mr. F. J. Alban, F.S.A.A., and of the excellent work which the present Hon. Secretary (Mr. Percy H. Walker, F.S.A.A.) continued to carry out.

Mr. LAMB, in endorsing the President's observations, said the District Society were proud of their Students' Sections and of the high standard they had reached in quantity as well as quality. He expressed the view that the District Society could look to the future with confidence.

Mr. W. J. PALLOT, F.S.A.A. (ex-President), proposed the toast of "The Cardiff and District Students' Section." He said that the Cardiff and Newport Students' Sections had progressed considerably during recent years. Special reference was made to the services rendered by the various officers and to the fact that three of the five ex-Chairmen were present at the dinner.

Mr. E. V. C. NICHOLLS, in replying to the toast, referred to the great benefit students could derive by attendance at prize essay scheme meetings and debates, and to the fact that these meetings gave ample scope for practice in the art of public speaking.

Mr. E. EWART PEARCE, A.S.A.A., proposed the last toast of the evening, that of "The Visitors and Ladies." He conveyed the thanks of the Students' Section to the senior members for their continued interest in the work of the Students' Section. Reference was made to the unavoidable absence of Mr. R. Wilson Bartlett, F.S.A.A. (a member of the Council of the Parent Society), who was represented by his son.

Mr. F. J. ALBAN, F.S.A.A., and Mr. PERCY H. WALKER, F.S.A.A., responded. Mr. Alban referred to the prosperous and promising future of the Students' Section. He said he had always derived much benefit from attendance at meetings of the Students' Section and was always glad to render them any assistance or advice.

During the evening Mr. Ivor Davies, A.S.A.A. (past Chairman), was presented with a biscuit barrel suitably inscribed, as a token of appreciation for services rendered and to mark the occasion of his marriage. Reference was made to the many activities in which Mr. Davies had taken a prominent part and to the work he was still doing for the students. Mr. and Mrs. Davies expressed their grateful thanks for the kindness shown to them.

ACCOUNTANT OFFICERS, ROYAL AIR FORCE.

No Competition in 1932.

The Air Ministry states that in the circumstances of the present time, it will not be possible to announce any vacancies for commissions in the Accountant Branch of the Royal Air Force in 1932. It is regretted that it will, therefore, be necessary to postpone till 1933 the next competition for entry into that Branch.

On December 16th a Rugby match between the Cardiff and District Students' Section and the Newport Students' Section of the South Wales and Monmouthshire District Society of Incorporated Accountants resulted in a win for Newport by 9 points to 8 points.

Correspondence.

AVOIDANCE OF TAXATION.

To the Editors *Incorporated Accountants' Journal.*

SIRS,—The action of the Chief Magistrate of the Jersey Court, which is mentioned in "Professional Notes" in the December issue of the *Incorporated Accountants' Journal*, however commendable, is not very sensible.

The use of the island of Jersey by British tax dodgers has been successful, and these successes therefore can hardly be designated as "attempts" at avoidance of British Income Tax. It is the action of the Jersey Court which is an attempt—an attempt to achieve the impossible—because the closure of Jersey as a place to register holding companies which have no other object in view than the avoidance of British taxation, can only have the effect of transferring this profitable business from Jersey to other places, such as the United States, Switzerland, Luxembourg, Liechtenstein, &c. Those countries by special legislation have for many years past sought to attract, and have attracted to themselves, many millions of British capital to the benefit of their commerce, finance and exchanges, and to the detriment of our own, especially to our invisible export trade, by the freezing of British wealth in foreign investments that yield no income for remittance to this country, such income being, in turn, again re-invested abroad.

Although this serious question of the great and growing avoidance of British taxation and its destructive effects upon our exchanges is an open secret among all foreign bankers and financiers, and is well known in certain quarters in this country, yet a conspiracy of silence with regard to it has now existed for over seventeen years. It receives no attention either from politicians or the Press, although unless the question is tackled, and tackled successfully, there can be no hope of stabilising the pound.

Yours, &c.,
EXPERTO CREDE.

ECONOMICS AND THE ACADEMICIAN.

To the Editors *Incorporated Accountants' Journal.*

SIRS,—It would be more than presumptive of me to attempt any criticism of Sir Ernest Benn's useful talk before the London and District Society recently, but as a student in the Faculty of Economics I regretted that there was not an economist present to defend the view of the Academician.

Sir Ernest referred economists to the cloistered contemplation of the history of their subject, while deprecating their prophecies. These suggestions seem to raise implications offending the canons of Economic Science, which, like all other departments of scientific inquiry, must proceed by method, either inductive or deductive, to inquire into that aspect of Society having relation to wealth.

The economist is hampered in his analysis, since he is part of the system he seeks to examine; nevertheless the use of scientific method has revealed universals existing among a variety of particular propositions, and which he feels justified in stressing. These pronouncements, however, have nothing in common with prophecies, and it is but rarely that economists speculate opinions on futurity; in fact I have always understood that their statements were considered to be too guarded.

I am, Sirs,
Yours faithfully,
F. SEWELL BRAY.

Plumstead.
December, 1931.

The Financial Crisis and After.

A LECTURE delivered to the Incorporated Accountants' District Society of Manchester, by

MR. J. BROATCH, B.A.,

Editor of the "Manchester Guardian Commercial."

Mr. BROATCH said: In giving an outline in the first part of this paper of all the events and influences that went to the making of the financial crisis I shall no doubt be speaking of much with which you are already familiar. But it is, I think, advisable to devote some time to linking up into a proper perspective even the most commonly recognised causes of our present difficulties.

How the Crisis Developed.

The final development of the crisis in this country took most people rather by surprise. That business and trade the world over were in desperate straits was obvious. It was to vast numbers a matter of bitter experience. That our own budgetary position was unsatisfactory was equally obvious. Mr. Snowden had spoken quite plainly about that in February last. But the possibility of a complete breakdown of the financial machine either in this country or in Europe had not been very widely visualised, though all the portents had long been there for those who cared to read them, and warnings have been publicly uttered from time to time. For instance, four years ago almost to the week Sir George Paish, speaking in Oxford, said: "Before the war Europe had lent Russia some thousand million sterling and was entitled to receive £60,000,000 per annum in return. That came in wheat, rye, flax, hemp and other commodities which to the extent of £60,000,000 had not to be paid for by return exports of manufactured goods. All that income had now vanished. The American debt to Europe of some £1,200,000,000 sterling yielding also £60,000,000 a year paid in raw cotton, foodstuffs, metals, &c., had also been wiped out almost entirely. In addition, with the completion of debt settlements Europe would be under contract to pay America £50,000,000 sterling per annum. Lastly, since the war, America had made loans to the amount of £2,000,000,000 to Europe, carrying interest charges of about £120,000,000 per annum. The European income derivable from America for commercial and transport services had also virtually vanished, and the only alleviation was that the expenditure of American tourists in Europe was now greater than ever before. Altogether Europe had to export to the rest of the world manufactured goods to the amount of £300,000,000 sterling in excess of pre-war exports, in order to meet interest obligation and in order to pay for necessary imports. And this fact was of deeper significance to Britain than to any other nation, for it was the one most dependent on imports from America. The increased export of manufactured goods was not being attained and could not be attained. Actually the export was less than before the war. The world's manufacturing equipment had been vastly increased, in America most of all, but also in Japan, India and even in China. The European countries, impoverished by the difficulty of selling their exportable goods, tried to balance their accounts by restricting their purchases. How, in these circumstances, had European business been kept going? Only by continually obtaining fresh loans from America and getting deeper and deeper into debt. How long would America go on lending?" Sir George Paish answered, two years. Then in the spring of 1929, unable any longer to pay interest on old debts by incurring new ones, Europe, Sir George predicted, would be face to face with bankruptcy. He only erred in his prophecy by two years.

But actually there were even more aggravating features than are mentioned in the extract I have just quoted from that speech. As Sir George Paish pointed out, the war had changed the financial face of the world. Debtor nations had become creditor nations and a crippling burden of war and reparation debts had been tied on the backs of the manufacturing countries of the world. Now to be a creditor nation involves very considerable duties and responsibilities. A debtor must often be nursed. He must certainly be allowed to repay the interest on his debt and the debt itself, if he so desires, by every reasonable means. Or, in the ultimate interest even of the creditor as well, further finance must be provided. Perhaps a long experience of international finance is required before a country can bring itself to take the bold course and risk further money in supporting a debtor. It would appear to be so, for America, which found itself in 1918 in a position of extraordinary financial power—a creditor instead of a debtor country—quite failed to grasp the principles which should have guided her policy. Like France, she has generally been the first to call in loans at the first hint of danger, and thus to precipitate crises which a more generous policy would have forestalled. For a time it is true she played the game according to the recognised rules; she lent heavily abroad, if indiscriminately. But by 1927 the flow of loans overseas dried up. The American investor lost his taste for this kind of financial adventure and turned the whole of his attention upon American industrial stocks. This change of policy was disastrous in more ways than one, for it stimulated a Stock Exchange boom in New York, which attracted funds from every quarter of the globe and aggravated the increasing maldistribution of gold. Gold was already flowing to New York in alarming quantities, because America did not allow her debtors to liquidate their indebtedness in the normal way. She prevented them from making payment in goods by erecting tariff walls and left them ultimately with no alternative but to pay her in gold; and to make matters worse she did nothing with the gold she acquired. Her currency was not expanded and a partial corrective of the situation was thus ignored. The natural result followed—gold increased in value in terms of commodities. Unfortunately, another country too had started to absorb gold, and, like America, was putting it to no use. America and France, the ultimate recipients of war debts, between them had absorbed by the middle of this year virtually three-quarters of the world's total stock of monetary gold, and wholesale prices had declined between 1927 and August this year by almost 40 per cent.

The Price Fall.

That brings us to a further cause of the slump then—the fall in prices. The maldistribution of gold must be held in part responsible for the fall, but it is not the sole cause. During the war production in non-combatant countries increased enormously. Technical advances in the machinery of production speeded up the rate and volume of production itself. After the war the production of the former combatants was added to swell this enlarged productive capacity. For a time the demand to make good the wastage of war provided for its absorption, and even when that demand had been satisfied the rapid development of raw material producing areas (such as, for example, South America), under the stimulus of foreign investment maintained both price level and volume of production at an uncomfortably high level. When the financial support was withdrawn (it was principally American)—and we have seen that it was withdrawn about 1927—the raw

commodity producing countries first encountered the economic blizzard. Commodity prices fell, and unfortunately fell out of all proportion to the decline in prices of manufactured articles. A disequilibrium was established between the two sets of prices, for owing to the great rigidity of the economic system of manufacturing countries costs are reduced only with difficulty, and slowly.

The effect on British markets of this fall in prices was calamitous. In 1925 Great Britain had returned to the gold standard at the old parity. The step was taken with excellent intentions. The world, it was said, was tired of currency chaos, and a return to the gold standard had been recommended by the Genoa Conference of 1922 as one of the essentials for the maintenance of orderly international trade. Sweden had already returned to the gold standard in 1924, but the world looked to Great Britain for a lead. We returned to it, then, in 1925, but we returned to it when prices were high. That would not have mattered very much if prices had remained high, or if our economic system had been less rigid. But prices did not remain at their high levels and our system did not become any more elastic. Trade union organisation was too strong to permit of much adjustment of our wage costs. Moreover, France, Italy, Germany and Belgium all returned to the gold standard subsequently after inflation and devaluation of the currency. We had not smoothed the path in any way for the export trades by returning to the gold standard at the old parity and lessening their power to compete with other countries which had devalued their currency, and as the prices of raw commodities fell their position became increasingly difficult. Our customers had less and less wherewith to buy our products, yet we were quite unable to reduce our costs and so to make a corresponding reduction in the cost of the finished goods we wished to offer in exchange. The exchange between these two classes of goods was interrupted, all trading activity was diminished, and unemployment increased both at home and abroad.

I have now given some outline, necessarily inadequate, of the extremely complex conditions responsible for reducing the world to its present plight. They are war debts and tariffs, followed by maldistribution of gold, the disequilibrium of prices and the general inexperience of newly powerful countries. I propose now to give a brief history of the development of the crisis from the time of the difficulties of the Credit Anstalt in May to the abandonment of the gold standard in September.

DIFFICULTIES ABROAD.

The Credit Anstalt affair supplied the first evidence of the acute financial difficulties of Central Europe, and though support was accorded to the Austrian institution, particularly by the Bank of England, a general withdrawal of funds from Central Europe then began. Germany subsequently became the storm centre. An attempt to stop the rot spreading further was made by President Hoover, whose moratorium proposals might well have been the turning point in trade recovery had not France nullified the effect they created by a very tardy and hesitant acceptance. The opportunity was lost, the drain upon Germany continued, and the Danat Bank, one of Germany's leading banks, was compelled to suspend payment. Thereupon all the banks closed for a time and the situation was only saved by the standstill agreement by which Germany's creditors, principally Great Britain and U.S.A., agreed to postpone for a period liquidation of their debts. This postponement, however, meant that Great Britain had some £80,000,000 of short term funds frozen in Germany, not in itself a large figure for London, but at any rate an awkward factor in the position, for the crisis turned away from Germany to London. Foreign institutions which could not withdraw their funds from Germany looked to London in order to keep their position liquid. Now, according to the Macmillan Committee, at the end of March roughly about £400,000,000 in sterling deposits and sterling bills were held by foreigners in London. There was promptly a rush to withdraw from London a large part of these funds by those countries who were financially embarrassed themselves, and by those who feared that London would suffer just as Berlin had suffered. This feeling of alarm was not dispelled by the acquisition of a £50,000,000 credit in dollars and francs and the drain continued until the Government was forced to take serious action. Further credits were required, but were not forthcoming unless this country could give satisfactory proof of the soundness of its position. It was obvious at the time that the Budget would never balance unless drastic measures were adopted and in the eyes of the foreigner the finance of the Unemployment Fund had long been suspect. It was, moreover, becoming clearer that the balance of trade was going against us for all those invisible items in our favour, coming from our position as the financial, insurance and shipping centre of the world as well as from our position as a great long term creditor nation of the world, were in the universal trade slump, dwindling to such an extent that they could not redress the visible unfavourable trade balance. Under these circumstances a National Government was formed, the Budget balanced, and further credits for £80,000,000 obtained. It seemed for a time that the worst was over, but the serious position of the finances of so many foreign countries was under-estimated. There was a general scramble for liquidity and in the few days at the close of the week ending September 19th, the credits were nearly exhausted. The drain of gold precipitated a sharp decline in sterling exchange, violent liquidation in the London stock market, and a severe break in prices of British Government securities. The situation had really got out of hand. On Monday, September 21st, therefore, an official statement was issued to the effect that henceforward the Bank of England would not be required to sell gold at a fixed price. The Treasury were also empowered to issue regulations governing foreign exchange dealings, the Stock Exchanges were closed on that Monday and Tuesday, and Bank rate was raised from 4½ to 6 per cent. as from the opening of business on Monday morning. In this way the gold standard was suspended in Great Britain.

TRADE WITHOUT AN INTERNATIONAL STANDARD.

Anyone now desiring to make payment abroad cannot do so by means of gold—he must buy the foreign currency direct in the market at such a price as he and the seller can agree upon between them. The suspension had immediate repercussions elsewhere. Norway, Sweden, and Denmark, Finland, the two Rhodesias, Australia and Canada, Argentina, Brazil, Uruguay, Peru and Mexico have all since abandoned the standard, and this list would be still more imposing were those countries added which have in practice suspended gold payment though they are nominally on the gold standard. We have arrived at the position, therefore, that a country with enormous long term resources has become involved in difficulties through inability to mobilise her short term funds.

But however that may be, the step has been taken. What matters now is what effect will it have upon this country's fortunes, and what is to be done about a return to a gold or other standard? The immediate effect of the suspension has been obvious. It has acted as a stimulus to the export industries for the simple and obvious reason

that the immediate fall in the value of sterling makes this country a cheap country to buy from. Conversely imports become dearer and this country becomes a difficult one to sell to. Here at once is a corrective force for our adverse trade balance. Will it last? To the extent that we can control our costs, some effect is bound to endure. It is true that some imported raw materials will rise in price, but to the extent that we contribute something in this country either by way of labour or material to the manufactured article, to that extent it will be a long time before we wholly lose the advantage. That is, of course, assuming that real inflation of the currency is resisted and that the value of the £ is left to find its true equilibrium as a result of the influence of the normal ebb and flow of commercial transactions. It is also assuming that the U.S.A., France, and most of the other big manufacturing countries remain on the gold standard, though throwing off what was under existing conditions a millstone round our necks, cannot but leave us in a less disadvantageous position even should other nations abandon the gold standard, provided that inflation is not pursued as an aggressive policy abroad.

The Importance of the Price Level.

It is, however, necessary to emphasise the importance of keeping prices down as far as possible in order that there shall be no increase in our wage costs, which have long been about the most stubborn item in our costs as a whole. There is no injustice in the endeavour to keep wages at this present level, for real wages have long been rising. An increase in them would of course mean a diminution of the bounty that depreciation has given to exports, and would also mean a rise in prices. The balance of trade would thus move adversely, and the automatic corrective for that movement, a fall in the exchanges, would in time raise prices again, and so the vicious circle of inflation would have begun. The cost of living, therefore, upon which any movement of wages would depend, requires careful watching. Actually the prospect is not very alarming. It is true that we import about two-thirds of our food. But it is also true that Australia, New Zealand, Ireland, the Argentine and the Scandinavian countries—from whom we draw a very large proportion of our imports—are now no longer on the gold standard, and sterling has depreciated either not at all or to only a slight extent in terms of those currencies. The most important item in the cost of living therefore should not show any great increase. Rent, too, should not be very greatly affected, and clothing also, since the cost of raw materials is only a small factor in the final price, should only increase slightly. In any case it should be remembered that retail prices have lagged far behind in the general decline of prices and that a considerable amount of slack can be taken up before the present level needs raising at all.

The Cost of Abandoning Gold.

A further effect of the suspension will be a reduction of the real interest on the National Debt and on industrial fixed-interest capital. On the country's financial prestige and the profits of the City of London the effect is difficult to estimate. As far as our prestige goes it is universally realised, I think, that every effort was made to avoid suspending the gold standard, that we were in fact driven off it more by the economic malpractices of other countries than as a result of any policy of our own. It is, in fact, interesting to read a recent comment in a well known American journal (*Commerce and Finance*) if we feel the need of some reassurance that our reputation for financial probity has not been forfeited. "Great Britain is suffering and has for years suffered from an over developed sense of the nation's commercial and financial honour. It was this that led her, after the £ sterling had by the exigencies of war, and its aftermath, been driven down to 3.20 in American exchange, laboriously and at the cost of great hardships to her people, to buy it back gradually to par and finally, in April, 1925, resume gold payments. There was no real reason for her doing this except her exaggerated notion of what the national honour demanded. Her war debt had been contracted on a grossly inflated price level, and her bondholders, even had the pound been revalued at 3.25 or 3.50, would have received a greater value than they had paid for the bonds, for they have been enriched by every decline in the commodity price level since that time." Certainly, immediately before we went off the gold standard, we paid a very high price to preserve our prestige intact—too high, some may assert. There was perhaps every excuse for obtaining the original £50,000,000 credits, for at that time the unbalanced state of our finances must have been known, and to have been driven off gold then would have been to have invited a dose of inflation to redress the balance. I do not say we should have inflated, but the temptation under the circumstances of the time would have been strong, and Mr. Snowden would not have found it easy to resist. The £80,000,000 credits obtained after the Budget had been balanced are on rather a different footing. They were, however, presumably sought because it was still believed that we would remain on gold, and in any case, before we actually went off the standard, the consequences of its suspension were generally considered to be sufficiently awful to insure that every effort should be made before final surrender. It is only just to admit that, because it is only after the event that one is tempted to wonder whether the price paid was really worth while. The best one can say is that it leaves no room for doubt that we did not give up without a struggle. The prestige of the City of London has not therefore suffered, in my opinion, an irreparable blow, nor will its profits necessarily be seriously diminished. There is certainly no organisation anywhere in the world so well equipped to act as the world's financial clearing house. New York and Paris would be the first to admit that they possess neither the experience nor the facilities to enable them effectively to replace London markets. It would be difficult to organise them elsewhere where there is no safe foundation of usage and experience to build upon. From that point of view also then the picture has been painted in rather more sombre colours than necessary. As to the actual losses our action will cause abroad, it is unfortunate that they will in the main fall upon those foreign financial houses which to the end maintained their funds in London, and consequently trusted most in sterling. Generally speaking, however, as the last issue of the Guaranty Trust Company of New York circular states—I merely quote it to give a foreign view—"As far as the indebtedness of Great Britain to the rest of the world is concerned a devaluation of the £ sterling will have comparatively little effect. England is still a creditor, not a debtor nation. Her public debt is held at home, except for the war debt to the United States Government, and the recent bank credits, which are payable in foreign currencies and thus are not subject to the effects of fluctuations in sterling exchange. Bank deposits and short term investments of foreigners would be chiefly affected." That much is satisfactory: but on the debit side, as the quotation implies, is the fact that our foreign investments will yield us so much the less, varying of course with the extent of the depreciation of the pound.

Future of the Pound.

But what is to happen to the pound? Are we going to leave it as it is at present—that is maintain a purely

national currency—or are we going to link it again to gold, and if so at what parity, or put it upon some other basis? In his speech at the Guildhall on Monday, the Prime Minister said that the Government intended as soon as practicable to take the steps which would most surely tend to stabilise the pound on a definite basis. What the basis would be he did not say, and he admitted that the time to stabilise must depend largely on factors which are outside our own separate control. He also said that until the pound was definitely stabilised the main objective of the Government's policy would be the substantial maintenance of the internal purchasing value of sterling. It would appear, therefore, that until a *de jure* stabilisation of the pound is effected no attempt will be made at a *de facto* stabilisation, for the maintenance of the internal price level and the maintenance of the gold exchange value of the pound are two very different and generally contrary things. Personally I think it right at the present time to devote attention to the internal price level, just as Sweden is doing, rather than to the exchange value of sterling, but that is not the view of those who want a speedy return to gold, and there are many who do. Not all, of course, would go as far as the chairman of Barclay's Bank, who has urged that we should aim at the restoration of the pound in all its old glory. Most suggest a devaluation of, say, 15 to 20 per cent., and all I must admit have advised a return to gold subject to numerous qualifications which really render an early return improbable in the extreme. They have said that the war debts and reparations questions (which for the U.S.A. also involve the disarmament question) must be settled on a satisfactory basis, that tariff walls must not be allowed to make the working of an international standard impossible, that there must be more co-operation between the central banks, and so on, before we actually return; but at any rate, they suggest that we should now announce our intention of returning to it whenever the ground is sufficiently well cleared. At the moment what evidence is there of international co-operation, of a reasonable approach to the reparations question or of a general reversal of tariff policy? How can it be possible while the calendar of economic crimes grows longer to determine at what parity sterling could safely be linked to gold again without danger of a repetition of the circumstances of the past two years? And why should we give those who have made an international standard impossible the comforting assurance that we intend at some future date to return to it?

What other reasons are there for a return to gold besides a mere desire to return? The prestige and profit of the City? I have explained that I do not think that they will suffer unduly. That international trade will suffer a contraction without an international standard? That contention is untenable in the face of past history. There is, in fact, little practical evidence that the gold standard facilitates international trade. In theory the idea of a common standard of value of everything which enters into international trade, of a system which in all currencies are stable and in which due warning is given of over-buying or over-selling, and the balance settled by the movement of gold, is admirable. But we have not had very much experience of it in practice. British trade had its flourishing periods in the 19th century when few countries were attached to gold. We found no difficulty in carrying on business with countries having all sorts and conditions of currencies. The Bill of Exchange was adequate for our commercial needs, and between countries which want to trade with each other is likely to be adequate in future. The trade recovery of 1921 and 1922, moreover, to come to very recent times, occurred at a time when not only Great Britain, but most other countries in the world, were off the gold standard and when the currencies of many of these were fluctuating very widely in terms of gold. Since our return to gold, and since gold has been more completely our international standard than ever before, trade has steadily declined. True, no international standard could have functioned adequately under the conditions which have prevailed since the war. But that is the very danger of the gold standard as an international standard. Its operation is too liable to be complicated by political and economic causes, as we have seen to our cost these last few years.

Actually the gold standard has seldom been adopted in any country with a view to facilitating international trade. It has almost always been to ensure a sound currency, to get away from the risk of inflation. And that is another reason why a return to gold is now being urged.

Are we in any danger of inflation now? It would be idle to deny that there is some danger, but then if a Government is determined to inflate it will do so, gold standard or no. As it is we still have very freshly in our memories all that happened in Germany when inflation ran riot, and we are scarcely likely to follow on that path. The Government can hardly be suspected of inflationary tendencies, and no room for doubt has been left about our determination to balance the Budget. That is, of course, of vital importance now. As for the cost of living and wages, which would be the principal factor in forcing us to inflate, I have given the reasons which lead me to believe that little danger need be apprehended from that source. In sum, therefore, I should say that the risk of inflation, while present, is not great. It is, however, no doubt politic to exaggerate the danger rather than minimise it.

The three main arguments generally advanced for returning to gold do not appear, therefore, to be at all conclusive in themselves, and, of course, in the light of present day conditions, when we have the extraordinary spectacle of every country trying to increase its sales to other countries to the uttermost, while restricting its own purchases to the barest minimum, they have scarcely any force at all.

An argument often brought forward against gold I might as well mention here. It is that the production of gold is tending to diminish; that it is not, and cannot (except in the unlikely event of further large discoveries) keep pace with production, and that it will therefore tend constantly to depress prices. I do not think personally that a shortage of gold has anything to do with the present breakdown of the standard. In my opinion it is entirely due to its maldistribution, which in turn is due to all the other factors I have mentioned. For the present, improvements in banking technique might be more than sufficient to offset any deficiency in gold; Central Bank Reserves might be lowered, and so on. But for the future a problem undoubtedly exists, and it will have to be very carefully considered if at any time other circumstances permit of the possibility of a return to gold.

SOME ALTERNATIVES.

In arguing against any immediate intention to return to gold, in fact asking the question Why return to gold at all? we are still left with the problem of supplying an alternative or alternatives. There have been several put forward recently by persons or institutions whose names carry authority. Sir Basil Blackett, a director of the Bank of England, speaking very tentatively, recently said we were bound to ask whether there was some alternative international standard such as bi-metallism or a non-metallic standard which would work better than gold. Even if there were such an alternative, however, the

question has still to be asked whether international conditions were ripe for its adoption. If by sacrificing stability of exchange this country could be made master of its own economic destiny, not dragged at the wheels of the chariot of the federal reserve system of U.S.A. or the Bank of France, and could give real stability to its internal sterling currency, this alternative of a managed sterling currency system was at least worth examining. It would be worth examining, also, he continued, whether it might not be possible to adopt an intermediate goal. An Imperial currency standard aiming at stability of internal prices throughout the Empire might perhaps be attainable without encountering the political storms and stresses which had for the time being smashed the international gold standard. It was possible to conceive of an Imperial currency authority far more easily than of a world currency authority.

That suggestion of Sir Basil Blackett's receives substantial support from the Report on Empire Monetary and Financial Policy issued just over a week ago by the Federation of British Industries working in conjunction with the Empire Economic Union. This report recommends the convening of an Empire Conference to examine the practicability of establishing a stable Empire currency system to link together the financial policies of the countries of the Empire, and that an International Conference on silver should be called to consider the possibilities of the restoration of silver to a place in the world's monetary system.

Apparently a Central Imperial Bank is envisaged in the first part of the scheme which would act as a Central Clearing Bank for all the central banks of the Empire, but the scheme as a whole is only very hazily put forward. No original suggestion at the present time should be disregarded, but there are certain very obvious difficulties in the way of a scheme of this kind. Just to mention one, no Dominion at the present day is likely to brook any interference in its internal affairs, yet some sort of financial guidance would be essential if the currency were backed by the resources of the Empire.

The object of remonetising silver is not only to widen the basis of credit throughout the world, but also to raise the purchasing power of the East, an aim which is, of course, of particular interest to Lancashire. The China Association has already taken the question up, and at the beginning of this week a committee of three, consisting of Mr. E. L. Franklin, senior partner of Samuel Montagu and Co., Mr. E. D. van Walree, former Netherlands Consul in China and a Dutch banker, and Mr. M. W. Tuthill, of the Advisory Committee on Metals of the U.S. Department of Commerce, appointed by the International Chamber of Commerce, published its report. The report is unanimous. It agrees that plans for bimetallism and remonetisation of silver stand no chance of practical application, and it has, therefore, tried to formulate a scheme which will permit of independent action. It suggests that North American producers might enter into a sales agreement with the Government of India to maintain a price reasonable to both seller and buyer. Since the report was written on September 24th, silver has risen from 15⅞d. per ounce to 21¼d. to-day, so that the case for lifting the price of the metal is not now nearly so strong.

Germany, it is interesting to note, is increasing her silver coinage with a view to reducing the bank-note circulation and so releasing a quantity of the gold reserves.

There is, therefore, a growing body of opinion in favour of making more use of silver. But, as the International Chamber of Commerce Committee admits, its elevation is unlikely at an early date. If, then, the objections to an international standard and the difficulties of an Imperial standard have been correctly stated, we are left to consider the possibilities of a national currency.

A National Currency.

Now, to begin with it may be objected that a national currency is only one more nail in the coffin of that international co-operation which every country preaches though fails to practise. But there really is nothing in a national currency which need outrage the keenest internationalist even though it happens to be true that a national currency is peculiarly accommodated to the position of this country. It is suitable for this country for these reasons.

There is, I think, no doubt that Great Britain is the world's best customer. So much is that so in fact that many countries, particularly the countries from which we obtain our food, find in Great Britain their only market for their surplus products. It may therefore be said, without putting the cart before the horse, that those countries have got to send their surplus products to us for the simple reason that they could not dispose of them elsewhere. For instance, Denmark sent to us last year no less than 58.8 per cent. of her total exports by value. The next country in order was Germany with only 16.3. Obviously, therefore, it would hardly be an exaggeration to say that Denmark depends entirely upon us for her trade—indeed the voluntary propaganda in Denmark urging people to "Buy British" shows that the position is fully appreciated. The Argentine and other countries are not in a very different position. They are all, in fact, countries in which we should find an extensive market for our manufactured products. Now as long as it was possible for countries to take gold at a fixed price from this country in payment of their claims upon us—in distinct contradistinction, of course, of the intentions of a gold standard system—none of these countries really needed to take our goods. They did, of course, to some extent, but there is no doubt that our industries laboured under a great handicap. But with a national currency the only way our suppliers can reimburse themselves is by taking goods from us. Our currency becomes a voucher for the exchange of goods. The currency in which we have paid for our purchases cannot be exchanged for gold (except at the current market price) and it can only be redeemed, making every allowance for triangular trade, ultimately in this country. And if the assumption is correct that these countries must send their products to us, they are not likely to raise any difficulties about the currency they are paid in, backed as it will be by the resources of Great Britain.

Such a national currency is the one we have to-day. The pound had found or was finding its natural level on the basis of our economic position. In the interests of industry any plan for tieing it again to an international standard would require most careful consideration.

CITY OF LONDON COLLEGE.

On December 18th, at the Guildhall, London, the Lord Mayor, Sir Maurice Jenks, F.C.A., presided at the eighty-third annual meeting of the City of London College. Among those present were Mr. E. Cassleton Elliott, Vice-President, and Mr. A. A. Garrett, M.A., Secretary, of the Society of Incorporated Accountants and Auditors.

The Lord Mayor said it had been the tradition of the Corporation to support and aid the development of education, especially in regard to the foundations connected with the City of London. Mr. J. W. Ramsbottom, M.A., Director of the College, having given his report on the work of the session, prizes were distributed by Lord Plender, who, in the course of his address, referred to the need of general and specialised education for business and professional life. But he looked beyond the serious work of the College and emphasised the importance of social intercourse. He viewed with satisfaction the provision which the College had made for fostering personal contact between the students of the College. He added that employers looked not only for capability and knowledge, but valued good manners as an essential part of business and professional equipment.

The Chairman of the Governing Body (Sir Lulham Pound) thanked the Director and the staff of the College for the work they had done, and his colleagues on the Governing Body for their co-operation.

A vote of thanks to the Lord Mayor for his kindness in taking the chair, to Lord Plender for distributing the prizes, and to the Corporation of the City of London for allowing the use of the Guildhall, was proposed by Brig.-General Sir Arthur Maxwell (President of the Institute of Bankers), seconded by Mr. Edward Wilshaw (President of the Chartered Institute of Secretaries), and carried by acclamation.

Scottish Notes.

(FROM OUR CORRESPONDENT.)

Students' and Golf Club Social.

The Incorporated Accountants' Golf Club, along with the Glasgow Students' Society, held a very successful whist drive and dance in Burlington House, Glasgow, on the 5th ulto. There was a large attendance. Mr. and Mrs. R. T. Dunlop and Miss Dunlop, Mr. and Mrs. P. G. S. Ritchie ; Mr. and Mrs. J. S. Gavin and the Misses Gavin ; Mr. James Paterson (Secretary of the Scottish Branch), and Miss Paterson, were among those present.

At an interval, Mr. James Paterson intimated the results of the whist and golf club competitions, and called upon Mrs. R. T. Dunlop to present the prizes, including the Dunlop Golf Trophy, won by Mr. A. G. M. Phillips. In calling for a vote of thanks to Mrs. Dunlop, for her presence at the function, Mr. Paterson mentioned that, not only had Mr. Dunlop given the handsome golf prize, but Mr. and Mrs. Dunlop had provided the beautiful and valuable whist prizes, and thereby had again shown in a practical and generous fashion their interest in the Scottish Branch, and particularly in the younger sections of the members and clerks. The vote of thanks was enthusiastically given, and Mrs. Dunlop briefly replied.

Credit is especially due to Mr. C. M. Vance, Hon. Secretary of the Students' Society and Golf Club, Mr. J. C. McMurray, and Mr. Mungo Campbell for the excellent arrangements of an enjoyable evening.

Slips in Company Law.

Addressing the Glasgow Publicity Club on the 18th ulto., Sir Joseph Dobbie, the well known Edinburgh lawyer, said that in these days when the intricacies of company law loomed large, the Company Acts provided pitfalls for 47 minor offences, most of which could be committed by unintentional neglect on the part of agents and officers. This little group of penalties could amount in the aggregate to £586 for every day of default. Recent developments rather suggested, said Sir Joseph, that it might be a case of the blind leading the blind, if he gave the advice not to be a party to any prospectus, or any conduct of a business of a limited company without the very best legal and accountancy advice obtainable.

Income Tax—Specific Cause.

The House of Lords on the 17th ulto. decided in two Scottish cases, the question of whether a " specific cause " had been established within the meaning of the proviso in Rule 11 of the rules applicable to Cases I and II of Schedule D of the Income Tax Act, 1918. The question was raised by an appeal of the Commissioners of Inland Revenue against an interlocutor of the Court of Session as the Court of Exchequer of Scotland against a firm of coal merchants, which became successors during 1926-27 to a business previously carried on by a firm of coal merchants and coal-masters. There was another case involving the same question also under appeal.

During the " basis year " in consequence of the coal strike, supplies of British coal could not be obtained and the firm made contracts for supplies from abroad on which they made large profits. During the year of assessment British collieries resumed work and the necessity of importing coal disappeared. During the basis year Germany and Poland captured the British market there, and consequently the profits in the year of assessment were considerably less than in the basis year.

The Special Commissioners held that a specific cause had been established. The First Division of the Court of Session by a majority upheld the finding of the Special Commissioners and the case was taken to the House of Lords. The House of Lords unanimously dismissed the appeal of the Crown in both cases, with costs.

The Gold Standard and Bimetallism.

The above subject was discussed at a meeting of the Royal Scottish Society of Arts held in Edinburgh on the 15th ulto. Professor Henry Briggs presided. The discussion was initiated by Professor F. W. Ogilvy, Professor of Political Economy in the University of Edinburgh, whose subject was " The Currency Problem." Professor Ogilvy said that whether we liked it or not it was in part a world problem and also, obviously, a national problem. He suggested, therefore, that the problem was how best to get monetary systems to serve national interests, not of any petty nationalism, but recognising that the world was made of up units of nations, how best to make money serve national interests, at the same time getting the maximum benefits from intercourse with the world. If, said Professor Ogilvie, they were to go back to the gold standard, what kind of gold standard was it going to be ? What admixture of silver were they going to have ? What place was gold and silver itself going to have, and what metal were they going to think of adopting with regard to the currencies of other countries ? Even to ask that question, was, in the minds of many, something approaching lese-majesty, but merely to raise the question of re-valuation was, in the minds of some, treason.

Mr. D. Y. Jack, Lecturer on Economics in the University of St. Andrews, spoke in support of the gold standard and discussed at length the alternatives to the gold standard. He admitted that the serious fall in the price of silver had been an important factor in the trade depression. He claimed that a general adoption of the gold standard would be followed by a stability of exchange throughout the various monetary systems.

*** *Legal Notes are held over on account of pressure on space.*